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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES APPROPRIATIONS FOR 1982

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HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

NINETY-SEVENTH CONGRESS

FIRST SESSION

SUBCOMMITTEE ON HUD—INDEPENDENT AGENCIES

EDWARD P. BOLAND, Massachusetts, *Chairman*

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LOUIS STOKES, Ohio
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PART 2

VETERANS ADMINISTRATION

Printed for the use of the Committee on Appropriations

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U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1981

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES APPROPRIATIONS FOR 1982

WEDNESDAY, MARCH 10, 1982.

VETERANS ADMINISTRATION

WITNESSES

R. H. WILSON, ACTING ADMINISTRATOR
C. R. HOFFMAN, CONTROLLER
E. MARKHAM, DIRECTOR, BUDGET SERVICE
R. E. COY, DEPUTY GENERAL COUNSEL
R. S. BLUNT, ASSISTANT ADMINISTRATOR FOR PLANNING AND PROGRAM EVALUATION
M. B. SILVERSTEIN, DEPUTY INSPECTOR GENERAL
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OFFICE OF CONSTRUCTION

W. A. SALMOND, ASSISTANT ADMINISTRATOR FOR CONSTRUCTION
G. E. NEUMANN, DIRECTOR, PROGRAM CONTROL AND ANALYSIS STAFF

OFFICE OF DATA MANAGEMENT AND TELECOMMUNICATIONS

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J. J. SHARKEY, DEPUTY ASSISTANT ADMINISTRATOR FOR DATA MANAGEMENT AND TELECOMMUNICATIONS
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J. J. COX, DIRECTOR, VETERANS ASSISTANCE SERVICE
S. W. MELIDOSIAN, DIRECTOR OF PHILADELPHIA CENTER (INSURANCE)

DEPARTMENT OF MEDICINE AND SURGERY

DR. D. L. CUSTIS, CHIEF MEDICAL DIRECTOR
DR. W. J. JACOBY, JR., DEPUTY CHIEF MEDICAL DIRECTOR
DR. T. C. CAMP, ASSOCIATE DEPUTY CHIEF MEDICAL DIRECTOR
DR. L. M. KLAINER, SPECIAL ASSISTANT TO CHIEF MEDICAL DIRECTOR
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DR. A. J. AARONIAN, ACMD FOR DENTISTRY
DR. H. M. BAGANZ, ACMD FOR PLANNING AND PROGRAM DEVELOPMENT
DR. P. A. HABER, ACMD FOR EXTENDED CARE

Fiscal year	Appropriation		Average employment	
	Carter	Reagan	Carter	Reagan
1980 actual	$20,551,810,000	$20,551,810,000	217,464	217,464
1981 estimate	20,810,526,000	20,810,526,000	218,630	216,793
Supplemental:				
Program	1,345,565,000	1,344,057,000		
Pay	304,283,000	248,834,000		
Rescission		−162,160,000		
Total 1981	22,460,374,000	22,241,257,000	218,630	216,793
1982 Request	23,201,927,000	22,675,619,000	219,160	211,165
Change from 1980	+2,650,117,000	+2,123,809,000	+1,696	−6,299
Change from 1981	+741,553,000	+434,362,000	+530	−5,628

Mr. BOLAND. The Committee will come to order.

This morning we will examine the fiscal year 1982 budget request of the Veterans Administration. We are delighted to welcome

back some old friends of this Committee: Mr. Rufus Wilson, Acting Administrator (who served as Deputy Administrator last year); Dr. Don Custis, Chief Medical Director; Dorothy Starbuck, Chief Benefits Director; Mr. Bill Martin, Assistant Administrator for the Office of Management and Telecommunications; and Mr. Connie Hoffman, Controller, who is almost a member of this Committee. How many years have you appeared before us?

Mr. HOFFMAN. Ten years now, sir.

Mr. BOLAND. We have a new Assistant Administrator for the Office of Construction, Mr. Bill Salmond, who is taking Vic Miller's place. Glad to have you with us.

Mr. SALMOND. Thank you, sir.

Mr. BOLAND. Mr. Emerson Markham is the new Budget Director. He succeeds John Binford, who retired last year. Mr. Corrado is the Acting Chief Memorial Affairs Director. He was Deputy to Mr. Carl Noll, who passed away last year. We will place the biographical sketches of Mr. Markham and Mr. Corrado in the record at this point.

[The biographical sketches follow:]

VINCENT L. CORRADO
Deputy Chief Memorial Affairs Director

Vincent L. Corrado holds the position of Deputy Chief Memorial Affairs Director with the Veterans Administration. He is a graduate of Columbus University (now incorporated into the Catholic University), Washington, D.C., where he earned a Bachelor and Master degree in Accounting.

Mr. Corrado accepted an appointment with the VA in September 1973, as the Director of the Monument Service, a major element of the National Cemetery System. In this position he was responsible for procuring and furnishing headstones and markers for all graves in national cemeteries and, on request, for the graves of veterans in private cemeteries. On December 25, 1977, he was appointed Deputy Director of the National Cemetery System, and on February 23, 1978, he was appointed to his present position.

Mr. Corrado served in the U.S. Army for 31 years. He held major assignments at Headquarters, Department of the Army; in the European Theater in World War II; in Turkey; Korea; the American Embassy in Bonn, Germany; the U.S. Army Materiel Command, Washington, D.C.; and Vietnam. At the time of his retirement in January 1973, he held the rank of Colonel and was Commanding Officer of the U.S. Army Memorial Affairs Agency. His awards include the Legion of Merit with three Oak Leaf Clusters, the Bronze Star Medal with one Oak Leaf Cluster; Commendation from the Defense Ministry, Federal Republic of Germany; the Armed Forces Commendation Medal with Oak Leaf Cluster; and the National Order Medal, Republic of Vietnam.

A native of Covington, Kentucky, Mr. Corrado spent his early years in Covington and Cincinnati, Ohio. He and his wife, Louise, reside in Falls Church, Virginia.

EMERSON MARKHAM
Director, Budget Service

Emerson Markham, 53, has been director of VA's Budget Service since June, 1980. As such he is responsible for preparation and execution of a budget over $20 billion.

A native of Schenectady, N.Y., Markham is a graduate of Union College in Schenectady. He received a master's degree in public administration from Syracuse University, Syracuse, N.Y., in 1952, and was one of the early graduates from the Federal Executive Institute in Charlottesville, VA, in 1969.

He started his civil service career as a budget analyst for the Navy Department's bureau of ordinance in 1952. He was chief of the procurement section of the bureau's budget and estimates branch four years later, when he joined the Atomic Energy Commission as central budget examiner for its atomic reactor programs.

In 1957, Markham became the budget and fiscal officer for the Airways Modernization Board, serving from its formation until it merged with the Federal Aviation Agency (FAA) in 1959. He then worked for six months as the principal budget examiner for FAA on aviation research and development service programs. He left the Federal Aviation Agency that year to serve for six months as a training officer with the International Cooperation Administration.

He returned to the Federal Aviation Agency in February, 1960, to establish budget functions and organization for the bureau of research and development. Four months later, he became chief of the bureau's administrative staff.

In May, 1964, Markham joined the Post Office Department as special assistant to the Assistant Postmaster General for Finance and Administration. Subsequently, he became the director of the programming division of the bureau of finance and administration, and director of the planning division of the bureau of planning and marketing. He was appointed to his final Post Office position as acting deputy assistant postmaster general for planning in January 1971.

In August of 1971, he became ACTION's first budget director. In ACTION he directed the budget activities for all of ACTION's international and domestic programs, which include the Peace Corps, Volunteers in Service to America (VISTA), Retired Senior Volunteer Program (RSVP), Foster Grandparent Program, Senior Companion Program, and other domestic programs.

Markham, a past chairperson of the American Society for Public Administration's Budget and Financial Management Section, is a past President of the Budget Officer's Conference, and a past Vice-president of the American Association for Budget and Program Analysis.

Mr. BOLAND. Mr. Wilson, there are many difficult issues involving veterans about which we will be asking questions in the next few days. Most of them target on the Reagan budget amendments for 1981 and 1982, such as the employment situation in the Veterans Administration, the Congressional add-on in the fiscal year 1981 Medical Care account, the Construction program, and computer activities. There are many other issues, too, that we will address.

Mr. Wilson, if you have a statement, we will be very glad to hear it at this time.

ACTING ADMINISTRATOR'S STATEMENT

Mr. WILSON. Thank you, Mr. Chairman.

Mr. Chairman and members of the Committee, I am pleased to appear before you to testify in support of the Veterans Administration's fiscal year 1982 budget.

Today, President Reagan transmitted to the Congress the Administration's amended 1982 Federal budget, a key element in the economic recovery program. The stated goal of this budget is to reduce the amount of increase in spending from 1981 to 1982. A major factor applied in reducing Veterans Administration levels to meet this central goal of the economic program is a lowering of overhead and personnel costs.

The Veterans Administration's 1982 budget authority requirements were reduced from $24.9 billion in the January 1982 budget to $24.2 billion for a net reduction of $744 million. We expect to review in depth each proposed reduction with the Committee during the course of these hearings. There may, however, be areas of questioning by the Committee on the revised budget where answers will have to be supplied for the record.

As you are probably aware, the Presidential decisions did not become available to the Veterans Administration until March 2nd. Allowing for the appeal process, little time remained to make final decisions on the distribution of the budget revisions. Therefore, certain decisions and possible allocations are still being reviewed.

The budget authority requested by President Reagan for Veterans Administration activities total $24,202,496,000. This includes a permanent authorization of $720,675,000; legislative proposals of $806,202,000; and an appropriation request of $22,675,619,000.

This is a net increase of $1,302,055,000 over the combined amounts for fiscal year 1981. President Reagan's adjustments to the original proposals continue to reflect an increase in excess of five percent for fiscal year 1982 and the largest budget proposal in Veterans Administration history.

I will now highlight the appropriation requests by account.

The budget request proposes splitting the Compensation and Pensions appropriation into three separate appropriations to better represent and justify these programs in the budget process. For Compensation, an appropriation of nearly $8.7 billion, an increase of $74.4 million above 1981, and proposed legislation for an 11.2 percent compensation rate increase are being requested. The 11.2 percent rate increase, to be effective October 1, 1981, will cost $946 million in 1982, which is $93 million below the January budget estimate for the compensation rate increase of 12.3 percent. This is due to revised estimates of inflation growth.

Pensions are estimated at $4.1 billion with an automatic cost-of-living increase of 11.2 percent included. This level is $11.1 million below the January budget estimate for Pensions in 1982 which anticipated a 12.3 percent increase.

Burial benefits and miscellaneous assistance will require $204 million, up $5 million over 1981 requirements.

Readjustment Benefits will continue to decline in 1982 with a request of nearly $1.7 billion, which is $381.8 million below 1981. Vietnam era trainees continue to follow the decline in eligible veterans. This budget requests the elimination of flight and correspondence training as in the January budget, but with an earlier effective date, July 1, 1981, rather than October 1, 1981.

MEDICAL CARE REQUEST

The Medical Care appropriation request for 1982 is $6,674,891,000 an increase of $348,933,000 over the revised request for 1981, and $330,054,000 under the January 1982 budget submission. This $330 million adjustment will be accomplished through changes in priorities and program scope, as well as by cost-saving efforts.

Outpatient medical visits by non-service-connected veterans will be less than originally requested. In addition, the 91 Readjustment Counseling Centers for Vietnam era veterans, for which the legislative authorization expires on September 30, 1981, will not be continued in operation.

Savings will also be achieved by combining hospital wards with low patient census and occupancy rates. A general reduction in employment is anticipated to be offset through increased employee productivity, with no change in the level of hospital census or patients treated.

The amount included to reflect inflationary impact has been reduced and the requested increase in funding for equipment has been lowered.

RESEARCH REQUEST

The Medical and Prosthetic Research appropriation request of $145,699,000 is $7,451,000 higher than the revised request for fiscal year 1981, although $9,682,000 under the January 1982 budget submission. The research program will continue to emphasize high priority programs and herbicide orange.

CONSTRUCTION REQUEST

The 1982 Major Construction appropriation request of $429,930,000 includes funding for 32 medical facility projects, three cemetery projects, $12.7 million for energy conservation and $16.5 million for advance planning of future projects. Minor Construction is moderately increased.

Of the medical projects, 22 are for new projects, while ten had some prior funding. Ten nursing home care projects, adding 900 new beds, and six new outpatient clinic projects, reflect continued Veterans Administration emphasis on alternatives to hospitalization as the most effective means of caring for veterans. Design funding for a major modernization project at Albuquerque, New Mexico is also included.

Cancellation is proposed for the Baltimore, Maryland and Camden, New Jersey hospital projects, which reduces the amount shown as available for 1981 to $162.2 million below the actual appropriation level, and deletes $8 million from the January 1981 request.

The January 1981 request is further reduced by $63 million to reflect deferral of four other major projects; a total of nine projects have been deferred. These actions and a reduction of $30 million in the 1982 Minor Construction appropriation request have been taken to achieve outlay savings in 1981 and 1982. Employment in the Office of Construction has been reduced to correspond with the amended construction request.

GENERAL OPERATING EXPENSES

In the General Operating Expenses appropriation, we are requesting $603.7 million in budget authority and 20,067 average employment for the 1982 budget. This is a decrease of $38.2 millon in budget authority and 1,903 average employment from the 1981 revised level. In addition, the request represents a decrease of $66.3 million and 2,022 average employment from the January 1982 budget.

The major area of decrease from both the 1981 estimate and the January budget is a proposed major reorganization within the Department of Veterans Benefits field structure. This reorganization would involve the consolidation of claims processing and Loan Guaranty functions into more centralized operations. It is anticipated that these changes would result in economies of scale that would produce savings in the magnitude of $46.5 million and 1,673 average employment in 1982, and almost double that in future years.

Another reorganization has been included in these estimates affecting the field structure of the Office of Data Management and Telecommunications. In order to maximize the utilization of our current computer capacity, this budget anticipates the closing of the St. Paul, Minnesota Data Processing Center, with transfer of its workload to other data processing centers.

NEW ADP INITIATIVES

Although most of this budget request merely maintains or decreases the programs funded through this appropriation, there are several new initiatives worthy of comment. A significant investment is being requested for the improved management and collection of Veterans Administration's outstanding debts resulting from overpayments. As part of this initiative, legislation will be proposed to authorize the Veterans Administration to contract with private debt collection companies for assistance in the collection activity. In addition, increased computer systems support is planned for creation of data files on Agent Orange exposure, redesign of our automated payroll and personnel records system, and expansion of the automated accounting system to additional hospitals. Also, the National Cemetery System will continue to expand with the opening of the Indiantown Gap National Cemetery in late 1982.

This concludes my statement and we are now prepared to discuss the details of the budget request with you and members of your Committee.

BUDGET REVISION TRACKING

Mr. BOLAND. Thank you very much, Mr. Wilson.

We may have a little difficulty tracking some of these changes, because we just received the revised summary volumes yesterday. However, we udnerstand your difficulty in revising the budget, since you received the Administration's recommendations at such a late date.

We understand that the General Operating Expenses and Benefits appropriations (Volume I of V), and also the Medical and Construction appropriations (Volume II of V), were not updated, so we are going to have some difficulty following the changes here. Let me mention to the Members of the Committee that you will find some differences in the pagination and the budget figures, because changes have not been made in your Volumes. However, the staff and I have noted in pencil some corrections to the 1982 budget, and we will call your attention to them as we proceed. The revised summary will give you an overview of expenditures detailed in the other volumes.

Mr. Wilson, as you have indicated, the budget authority for fiscal year 1982 comes to $24.2 billion, which includes a permanent authorization of over $700 million, and also legislative proposals of about $806 million, which you may never get. Would you say that is a fair statement?

Mr. WILSON. I would certainly say the Congress will have to act on a great many issues.

Mr. BOLAND. So actually, this Administration's bottom line recommendation for funding is $22,675,619,000, as compared with the Carter Administration request of $23,201,927,000, a reduction of $526,308,000 million. Is that correct?

Mr. WILSON. Yes sir.

FREEZE ON EMPLOYMENT FOR MEDICAL CARE

Mr. BOLAND. Let me begin with a few questions on Medical Care employment—I don't know of any other VA issue that has caused as much discussion between the Congress and the Veterans Administration. The recent history goes back to 1979, when the Congress added funds for an additional 2,375 employees for the Medical Care appropriation in the 1979 Appropriation Act. The Administration did not use the additional funds for that purpose. In response to that action, the Congress passed legislation intended to ensure that the Veterans Administration would staff medical programs at the level specified in the Appropriation Act.

I have some reservations, as I am sure that some Members of this Committee have, about mandating the minimum number of personnel the Administration must use to carry out a given activity. But it is the law and as such, it is distressing that OMB has applied the hiring freeze announced on January 20 by the President, on all Veterans Administration positions, other than those involved in delivering direct health care services. Accordingly, the

1981 average employment estimate for Medical Care has been reduced by 1.280 by the Reagan amendments.

How many positions funded in the Medical Care appropriation are currently subject to the hiring freeze?

FREEZE ON HIRING

Dr. CUSTIS. The hiring freeze exempts all direct patient care personnel, Mr. Boland.

Mr. WILSON. I think I need to say the hiring freeze is supposed to end today, and to be replaced by total ceilings on employment in the Federal government.

Mr. BOLAND. Is there going to be a hiring freeze in the Medical Care account?

Mr. WILSON. No, sir, I think not following today, but there will be a ceiling, which is lower than the amount which was appropriated by the Congress.

Mr. BOLAND. And it will be lower by 1,280?

Mr. WILSON. It is 1,280 lower for 1981.

COMMITTEE LETTER TO OMB

Mr. BOLAND. On February 24, I sent a letter to the Director of OMB stating that we agreed with the opinion expressed by the General Accounting Office in its February 19 letter to the Chairman of the House Committee on Veterans Affairs. The GAO contends that the hiring freeze should not apply to any positions funded in the Medical Care, Medical and Prosthetic Research and the Medical Administration and Miscellaneous Operating Expenses appropriation accounts. Are you familiar with that?

Mr. WILSON. Yes sir.

OMB POSITION ON MEDICAL EMPLOYMENT

Mr. BOLAND. Can you tell us why OMB is not obeying the law—or is it obeying the law?

Mr. WILSON. I can tell you this, Mr. Chairman, the Office of Management and Budget General Counsel stated that he does not agree with the opinion of the Comptroller General. As Acting Administrator of Veterans Affairs, I find myself in the difficult position of having the General Counsel at the Office of Management and Budget disagree with that opinion, disagree, in fact, with the opinion of our own General Counsel, who made a finding, and opinion, in which he said he thought the hiring freeze should not apply to the Department of Medicine and Surgery.

I find myself complying with the directives of the Office of Management and Budget.

Mr. BOLAND. You disagree with the OMB General Counsel in its decision, yet you are complying with the OMB directive?

Mr. WILSON. I am complying with the OMB directive.

Mr. BOLAND. The letter I wrote also addressed the ceiling placed on full-time permanent positions in the Medical Care appropriation. Let me quote from the letter:

> The Committee is also concerned about the ceiling placed on full-time permanent positions in the medical care appropriation. The current ceiling is so low that Hospital Directors will be forced to limit the number of full-time permanent em-

ployees hired. This restriction does not contribute to the efficient allocation of resources. Arbitrarily requiring that other than full-time permanent employees be hired does not save money and is not good management. It is certainly not what the Committee had in mind when it added the 1,000 staff years in the 1981 HUD-Independent Agencies Appropriation Act. The decision to hire a full-time permanent or part-time or temporary employee to fill a particular position should be made by each Hospital Director to fit local circumstances. Accordingly, we request that the Office of Management and Budget remove or raise to an appropriate level the ceiling on full-time permanent positions.

Do you agree with what was stated in the letter regarding full-time permanent positions?

Mr. WILSON. Basically, as a matter of good management, Mr. Chairman, I agree.

Mr. BOLAND. All right.

Mr. WILSON. Dr. Custis might want to comment.

Dr. CUSTIS. I heartily agree. I think we are having a great deal of difficulty due to the inflexibility of such ceilings.

Mr. WILSON. I think amost everyone agrees that freezes are a very difficult way to achieve economies.

LIMITATIONS ON HIRING STAFF

Mr. BOLAND. I would presume that you agree that the decision to hire a full-time, part-time or temporary employee to fill a particular position should be made by each Medical Center director to fit local circumstances, rather than be made by OMB.

Let me ask about the one-for-two hiring limitation in 1981, which appears to have changed the mix of personnel in the Medical Care appropriation. "Full-time permanent" was decreased about 5,000 and "all other" increased a similar amount. In fact, the 1980 Medical Care average employment actually exceeded the estimate. Quite frankly, last year's hiring limitation did not make good sense to me. I am sure it didn't make good sense to you.

What caused the shift from "full-time permanent" to "all other?"

Mr. WILSON. Dr. Custis.

Dr. CUSTIS. Mr. Boland, we are in the throes of turmoil that has been caused by add-ons in ceilings, followed by freezes, and this is happening more than once. It takes a while for our local facilities to recruit and bring on board professional people and there was a lag in the buildup after the 3,800 were added. Then following the addition of 1,000, there was a lag in the buildup of full-time permanent. I believe that those monitoring our record in OMB were concerned, and meanwhile our Hospital Directors understandably used temporary employees while they were building up.

Mr. BOLAND. The freeze did not apply to temporary employees?

Dr. CUSTIS. There was a period of time when there was no freeze but there was a lag in bringing on full-time permanent staff and a compensatory increase in hirings of the "all other" category which, when noted, was probably the reason for lowering the ceiling on the full-time permanents and elevating the ceiling on the "all other" staff.

Mr. BOLAND. Was any money saved as a result of that action?

Dr. CUSTIS. Any money saved? No, sir, I think not.

Mr. BOLAND. From the standpoint of good management, how would you describe that?

Dr. CUSTIS. I feel strongly, Mr. Boland, that the whole full-time equivalent employment (FTEE) test, when it becomes permanent, and with its implication, particularly now that it includes ceilings on both the full-time and part-time, makes management at the director level very difficult. I think it is an example of central restraints that come close to mini-management.

MEDICAL CARE 1982 EMPLOYMENT LEVEL

Mr. BOLAND. The 1982 Medical Care average employment request is down 5,181 from the 1982 Carter budget request. (That is reflected in pencil on page 19-30 of my summary volume.) Is that correct?

Mr. WILSON. Yes sir.

Mr. BOLAND. What is the Administration's intention for the years beyond 1982, as far as the Medical Care account is concerned?

Mr. WILSON. I don't know at this moment, sir.

Mr. BOLAND. And so you also don't know whether or not the requests will continue to come in 5,000 or so staff years below the current level?

Mr. WILSON. No, sir, I do not.

HOSPITAL CLOSURES

Mr. BOLAND. If the average employment request for 1982 is reduced so much, why not propose to close some hospitals?

Mr. WILSON. I would say this, Mr. Chairman, that contemplating a cut of this magnitude I think brings into play the absoluteness of that as a consideration. At the moment, we are not considering closing any hospitals. In the spring review with the Office of Management and Budget we will be discussing the matter. It may be that with respect to hospitals in certain areas that we might consider the future closing of those hospitals in order to save personnel positions. We might also consider changing the mission of some of those hospitals to nursing home care or to ambulatory care. We are not contemplating it at this moment, but certainly it is a consideration for the future, if we get future reductions.

Mr. BOLAND. You are not currently contemplating that as a result of the reduction of 5,181 staff years?

Mr. WILSON. No, sir.

Mr. BOLAND. Mr. Young.

Mr. YOUNG. Mr. Wilson, how would you go about determining which hospitals to close if, in fact, that is what had to be done?

Mr. WILSON. Mr. Young, we have ongoing studies that are always continuing with respect to that idea. We would look at the demographics, we would look at occupancy rates, we would look at the difficulty of recruitment, we would look at where the hospitals are as to their relationships with other hospitals in the general area. We would then come to a conclusion based upon all those kinds of considerations.

I think, too, Mr. Young, we would have to do economic impact studies and also environmental impact studies as to what would occur in the closing of hospitals. In some rural areas for instance you might be contemplating shutting down the biggest industry within several hundred miles.

Mr. BOLAND. If operating personnel are to be reduced beyond 1982 would this also call into question the possibility of reducing some other facilities, like nursing homes?

Mr. WILSON. I would not think at this point nursing homes, would be involved, but certainly it would bring into play the possibility of closing hospitals.

COMBINING HOSPITAL WARDS

Mr. BOLAND. One of the ways you are meeting this problem is by closing wards, is that correct?

Mr. WILSON. Yes, sir, that is one of the ways. "Combining wards," I think, would be a better expression, Mr. Chairman.

Mr. BOLAND. Two years ago, in the Committee's March 15 report to the Budget Committee on the 1980 budget, we stated:

> If additional staff resources are not allocated by the Office of Management and Budget, the operating bed capacities of the VA hospital system should be reduced accordingly.

You have just about told us, that it makes more sense to close hospitals instead of wards?

Mr. WILSON. I think the Department of Medicine and Surgery might recommend that direction, Mr. Chairman, as opposed to drastic cuts across the entire system thus injuring the entire system. I think the Department—and Dr. Custis would perhaps want to comment—I think the Department would say rather than injure or harm the entire system, across the spectrum, they would prefer to at least look at the possibility of some closings.

Mr. BOLAND. Dr. Custis, what is your opinion on that?

MISSION CHANGES

Dr. CUSTIS. I concur in general with everything Mr. Wilson has said. There is one additional consideration in terms of vertical cuts, and that is a change of mission. I think we have some examples, in our consideration and our review of the idea of closures where there would be the option of converting certain facilities to nursing homes.

I think that a very high priority remains for us, considering the aging population of the World War II veteran, to increase our nursing home capability. I think we would be reluctant to cut back that program. We are already behind in getting ready for the impact of the increased age of the World War II veteran.

Mr. WILSON. I think I need to say this, Mr. Chairman. None of us would have any real happiness in terms of closing hospitals because we recognize what that entails, but it might be that there would be an economic situation facing us where we would have to face that eventuality.

Dr. CUSTIS. To perhaps paraphrase what Rufus said, I think what we are all saying, is that our consensus is that our effort must be directed toward the maintenance of quality of care, quality of education and quality of research. Horizontal cuts will reach a point where that quality is compromised. It can only be protected by reducing the commitment, the size of the system.

Mr. BOLAND. Is it really possible to effect savings in personnel by closing hospitals or converting them into nursing homes? I am sure you need more personnel in hospitals, than in nursing homes.

RELOCATION EXPENSES

Mr. WILSON. You can save personnel but you don't necessarily save them immediately because it takes a certain amount of time to close a hospital. You have to give notification to people, you have to transfer people and you have to look into a lot of things, which means your savings would be delayed beyond the immediate time you effectuate the closing.

I might also say there is a considerable cost in transferring people. When you transfer employees around the country, translocation costs are not an insignificant item.

Mr. YOUNG. What is the obligation for transportation charges?

Mr. WILSON. You pay the real estate fee when a person sells his home, that is at one end. If they buy a home at the new location, you also pay the closing costs. You pay for the cost of the trip of a spouse of the employee to go look for a home in the new community. You might pay certain storage costs for furniture, you pay certain per diem rates. It averages, I think the last figure was about $14,000. Does that sound right?

Mr. HOFFMAN. Yes, sir.

REGIONAL OFFICE CONSOLIDATION

Mr. YOUNG. When you are talking about transferring as many people as you are, if that plan went into effect for the consolidation of the regional offices, have you projected the dollars you would save in consolidation versus dollars it would cost you in the related expenses you have just mentioned?

Mr. WILSON. The answer to your question is we have not yet calculated those total figures. We have known since we first started consideration of the 1982 revisions that there was a considerable cost factor. It would be not only in 1982 but in 1981 because to achieve the employment figures we have to reach for 1982 we have to start in 1981. Each day into 1982 that you delay you make that figure multiply and get bigger.

So there is a considerable cost factor. We have not yet calculated it and Ms. Starbuck has her people working on a logical plan to do what it is we have proposed here. She will supply that plan to me as soon as she can and it will contain the total cost factors. At that point, someone has to make a tough decision.

Mr. YOUNG. When you have those projections, if you would make them available to the Subcommittee, I am sure we would all appreciate it.

Mr. WILSON. I will do that.

[The information follows:]

REGIONALIZATION

We hope to complete our review by mid-April at which time the information will be supplied to the subcommittee.

Mr. YOUNG. Thank you, Mr. Chairman.

Mr. WILSON. I might say there is a certain cost in 1981 which, of course, is not budgeted, for mass staff transfers. We would have to come up with that money in some way or go to the Office of Management and Budget and then to the Committee perhaps for a supplemental for the one-time costs in connection with the relocations.

PERSONNEL REQUIREMENTS BEYOND 1982

Mr. BOLAND. We are faced with this problem, reducing Medical Care average employment by 5,181 in the 1982 budget. I understand that there is a feeling on the part of some in the Office of Management and Budget that there should be a further reduction in average employment beyond 1982. I don't know whether you would agree with that.

You are not familiar with any decision to reduce average employment further, beyond 1982. Yet, considering the 5,181 reduction in 1982, and the possibility of a future decision to reduce average employment beyond the 1982 level, why request money for additional facilities? You are requesting construction funds for nine new nursing homes in this budget for fiscal year 1982.

Mr. WILSON. I think that is the figure, yes sir.

Mr. BOLAND. Of course, that is going to require additional personnel, isn't it?

Mr. WILSON. Yes, sir.

Mr. BOLAND. So if you don't close any hospitals, and you reduce personnel, I don't know how in the world you are going to staff the nine new nursing homes that you propose to build.

Mr. WILSON. I need to say, Mr. Chairman, that you place your finger on the horn of the dilemma in which we find ourselves. There are certain ongoing projects which require staffing in the future unrelated to the need to meet this magnitude cut. It is going to require a hard look at all those things, even a hard look as to whether or not we in fact activate say an ambulatory care facility that is in the process now of being built.

Mr. BOLAND. Someone said that the Veterans Administration budget has been a bit of a sacred cow, and therefore, should be cut. I don't say that. I am just repeating what others have said.

Mr. WILSON. If a $744 million reduction has any relationship to a sacred cow, I am unaware of it.

Mr. BOLAND. Dr. Custis, would you like to respond to what we are talking about here?

Dr. CUSTIS. Yes, sir, I think you are just pointing out, Mr. Boland, that we are in a confusing transition stage and that we need guidance, and I am certain that guidance will be forthcoming. We cannot answer some of the questions that you raise as of now.

Mr. WILSON. Mr. Chairman, I am aware of some of the press stories that I think you alluded to about future years. I have had no discussion with OMB about those future years but I have been told that there will be discussions in the spring review as to our entire budget.

There is a story in one of the papers about 20,000 people being cut in the outyears. I am not aware of those kinds of discussions or decisions.

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CONTRACTING FOR SERVICES

Mr. BOLAND. One way to lessen the impact of an employment limitation is to contract out for services presently provided by government employees. The Department of Defense, NASA, and GSA, for example, contract out for certain personnel services. What about the Veterans Administration—could it contract out for services such as dietetics, building maintenance, engineering, or security? Would there be any drawbacks?

Mr. WILSON. There is an OMB circular, Mr. Chairman, which requires that we continually review those kinds of situations.

Mr. BOLAND. That circular has been in operation a long time, hasn't it?

Mr. WILSON. It has been revised recently but it has been in operation for many years.

Mr. BOLAND. Have you done anything about it?

Mr. WILSON. There have been some other studies made. As far as I know, we have not done that anywhere except in special instances.

[The information follows:]

In the 1950's we eliminated successfully many in-house functions because of this policy of seeking the most efficient means of doing the government's business. They include in-house functions like bakeries, dairies and a cannery operation. The continuing VA laundry consolidation project was also originated during that era, resulting in elimination of 35 laundry facilities, saving millions in recurring dollars. In the past three years alone we have reduced the aggregate number of VA laundries by 5, saving nearly $2 million in recurring dollars. Recently, we have also intensified our efforts to contract out pest control and window washing in our medical centers. Each of these programs now operates by contract in over 100 locations.

Dr. CUSTIS. Mr. Boland, this is of considerable concern to the Department. We have from our General Counsel an opinion as to the applicability of OMB circular A-76 to the health care system in DM&S which states in essence, that Congress has mandated us to maintain the integrity of the hospital facilities as regards direct and indirect support, but that we can and should take a look at the cost comparisons of contracting out such things as yards, grounds and building maintenance.

You referenced in your statement, Mr. Chairman, dietetics. We feel that dietetics is a very important part of patient care and should not be included in the consideration for contract.

The other thing I would say is that we, at the present time, have quite a concern about the magnitude of the effort that will go into just conducting the cost analysis throughout the system.

Ms. Quandt, who is the person in charge of this review, estimates, her staff estimates, that it is going to take 400 staff years simply to do the studies on cost comparison related to contracting.

Mr. BOLAND. Four hundred staff years. It might be worth it in the end, though.

So I take it, none of the Medical Centers are contracting out for services which are currently performed by government employees?

Mr. WILSON. No, but the studies, which must be done now, are causing considerable consternation among the employees, and unions. A couple of our facilities have moved out faster than others.

Mr. BOLAND. I have been in a few of your medical centers. I must say that the maintenance and operation is superb in those that I visited. Have you contracted out any of the operation and maintenance functions of your medical centers?

Dr. CUSTIS. We have had experiences in the contracting out of laundry operations.

Mr. BOLAND. What happened?

Dr. CUSTIS. We have had an unfortunate experience in that we have dismantled our capability to bring it back in-house, and then run into contracting negotiations in which costs of laundry services escalated.

Mr. BOLAND. When did you start to contract out for laundry service?

Mr. WILSON. A number of years ago. As I recall, in the West Coast, in one area, as we were considering the cost of building a new hospital, we decided to delete the laundry and contract out the laundry services. The bid came in that was, as I recall, quite low the first year. We had no capacity ourselves at this point to do the laundry work. When the first bid expired, and the rebid came in, it was considerably higher and we were stuck with the only facility around to do the laundry.

Mr. BOLAND. Mr. Green.

Mr. GREEN. Mr. Chairman, in a number of places where we have outpatient clinics which GSA leases, a great many times the maintenance is contracted out. In those places I would say the level of maintenance leaves a lot to be desired.

Mr. BOLAND. Mr. Green, any general questions?

AGING VETERAN POPULATION

Mr. GREEN. I would like to return to the question of the aging population of World War II veterans. How do you plan for this and what will happen as this population turns elderly? Further, as the population dies off, have you looked at that and developed any long range plans as to what you need?

Mr. WILSON. We have looked at it, Mr. Green, in terms of the Department of Medicine and Surgery, I think, more than we have in terms of the National Cemetery System in terms of dying off.

Dr. CUSTIS. Yes sir. Two years ago we published, a very informative volume based on a study and long range planning of the impact of the aging veteran. It was just about that time, I think it was 1978 to be specific, that the Administration, the President, gave us what is known as "Presidential Guidance", and it was heavily focused on our getting ready for that increased aging responsibility.

It mandates, for example, the buildup by 1986 to 13,000 beds in VA nursing homes. At the time, we were at a level of about 6,500. There is also the guidance that we should anticipate taking care of 20 percent of the total nursing home needs of veterans, the rest to be contracted out.

There has been a priority effort made by the Veterans Administration in the establishment of research and education centers. The VA has been a national leader in this educational effort. We started postgraduate education in geriatrics in the Veterans Adminis-

tration system. We have been very conscious of our coming responsibility for the aging veteran.

Mr. GREEN. What are the budgetary implications that you see ahead?

Dr. CUSTIS. We have not been able to obtain the resources to meet the milestones of that Presidential Guidance.

Mr. GREEN. So you would see a considerable increase in expenditures if you were to meet those milestones?

Mr. WILSON. Yes, sir.

ADP EFFICIENCIES

Mr. GREEN. You are spending a significant amount of money on data processing. I am wondering—perhaps you would prefer to submit this for the record, because it cuts across several budget areas—if you could explain where you see the cost efficiencies that are going to result from this effort?

Mr. WILSON. As I explained in my statement, we are planning to close down the St. Paul, Minnesota Data Processing Center at a savings of 140 jobs. That function and workload will be transferred to other data processing centers, to Hines, Illinois, Austin, Texas, Philadelphia, Pennsylvania and Los Angeles, California.

I think there is no question that our Target system, which serves our compensation, pension and education program is not only a much more efficient system than the labor-intensive program we had, but in the final analysis, it will save several thousand jobs.

I think we ought to get the pharmacy program fully automated. There will be a significant savings.

AUSTIN DATA PROCESSING CENTER

Mr. GREEN. Turn to the old volume, page 157. Perhaps those who are not newcomers know, but I don't know what is happening at the Austin Data Processing Center.

Mr. WILSON. I might have Mr. Martin comment now, and later in more detail, for the record. The CALM system is working at the Austin Data Processing Center, and it has been saving a million dollars a year. We also have our payroll system down there, called PAID, which is an automated payroll effort.

Mr. MARTIN. Austin is our largest data processing center today and it is our financial and administrative support facility. We have roughly 600 people there, including the finance people from Mr. Hoffman's function, and out of that center, we run something like ten major national systems.

[The information follows:]

VETERANS ADMINISTRATION

CALM System Conversions to Full CALM

1. The CALM (Centralized Accounting for Local Management) System, a highly automated system, consolidates all of the administrative accounting which includes operating expenses but does not include benefits payments for the Veterans Administration (VA). The system is maintained at the Veterans Administration Data Processing Center, Austin, TX. The following figures are provided to show the size of the present system.

	FY 1979	FY 1980
Checks Issued	2,259,000	2,477,000
Invoices Paid	6,093,000	6,189,000
Dollar Amount	$1,633,673,000	$1,967,797,000

These payments were made for the entire Veterans Administration administrative accounting system which is comprised of the following facilities:

	Mod CALM Facilities	Full CALM Facilities	Total VA Facilities
Department of Medicine and Surgery	125	34	159
Department of Memorial Affairs	108	35	143
Department of Veterans Benefits	49	10	59
Office of Data Management & Telecommunications	4	2	6
Inspector General - Field Offices of Audit	3	1	4
Central Office	1	—	1
TOTAL	290	82	372

2. In 1971 conversions were begun from a manual accounting system and another less sophisticated automated accounting system to the full CALM system. In 1972 the conversions were changed from the full CALM system to the modified CALM system because of the rising amount of paper flow at the Austin DPC.

3. Both the mod CALM and full CALM systems are the same except for the method of processing vendor payments. The mod CALM stations maintain their accounts

payables (receiving documents waiting to be matched to vendors' invoices before processing for payment for goods and services received), paid voucher files (file of vendors' invoices after they have been paid) and travel advance files (record of money advanced to employees before traveling) at the station. For full CALM stations these files are maintained at the Austin DPC. Mod CALM stations prepare code sheets which are sent by teletype to the Austin DPC to generate payments to vendors. The Austin DPC has an on-line system that generates the payment to the vendor.

4. Because of the volume of work processed at the Austin DPC, time saving methods can be instituted that are not feasible at the individual field stations. Some of these methods are statistical sampling of the vouchers to be paid, microfilm, the on-line vendor payment system and specialized equipment.

5. On February 19, 1980, a report was issued by the General Accounting Office (GAO) on improving the productivity of Federal Payment Centers. The report contained the following recommendation to departments and agencies: "Eliminate or consolidate payment centers which, due to low volume, cannot be made efficient. When agency volume is small, agencies should consider obtaining payment center services through a large agency." Of the payment centers studied by GAO, the Austin Payment Center was the second best center paying 17.5 documents per staff hour. The third facility paid 10.1 documents per staff hour and the average of the 22 centers studied was 7.4. As the GAO report states, the larger the volume the greater the efficiency of the payment center. We have found this to be true at the Austin Payment Center, therefore, with these conversions, we expect the average number of documents processed per staff hour to increase even further.

6. In fiscal year 1982 we will begin a three year program to convert the remaining 125 mod CALM Department of Medicine and Surgery facilities to full CALM. Of the 159 DM&S facilities, only 34 are on full CALM. The DM&S facilities were selected to be converted because of their volume of work and because the Supply activities are located at the DM&S facilities. The Supply activity at the mod CALM

facilities does the matching of the vendors' invoices with the receiving documents before the invoices can be paid. This function is transferred to the Austin DPC when a facility is converted from mod CALM to full CALM as it is one step of the payment process.

7. When all 372 facilities in the Veterans Administration are on the full CALM system, there will be great intangible savings. Some of these savings will be from a more accurate and timely accounting and payment system because of one set of instructions and one interpretation of these instructions. Changes can be made to improve and streamline the administrative accounting system that are not feasible with the present two systems. A more timely and accurate payment system is very important as it is the area in the administrative accounting system most visible to the public domain.

8. During the three year conversion period, FY 1982 through FY 1984, there will be a cumulative net savings of $6,583,000. In FY 1985 and thereafter, there will be a recurring annual estimated savings of 262 FTE and $4,351,000. Projections of the estimated cumulative savings for the upcoming conversions follows. The figures are based on the current costs and are expressed in thousands.

CUMULATIVE ESTIMATED COSTS AND SAVINGS

CONVERSION OF DM&S FACILITIES TO FULL CALM

	FY 1982 (261 days)	FY 1983 (261 days)	FY 1984 (260 days)	CUMULATIVE TOTAL
DPC AUSTIN ADDITIONAL COSTS				
Personal Services	$1,275	$2,592	$3,912	$7,779
Travel	15	16	17	48
Space	170	170	170	510
Equipment	40	190	190	420
TOTAL ADDITIONAL COSTS	$1,500	$2,968	$4,289	$8,757
Full Time Equivalent Employment	70	136	202	202
DEPARTMENT OF MEDICINE AND SURGERY SAVINGS				
Personal Services	$2,786	$5,028	$7,526	$15,340
Full Time Equivalent Employment	178	315	464	464
SAVINGS DURING CONVERSION YEARS				
Personal Services	$1,511	$2,436	$3,614	$7,561
Net Savings	$1,286	$2,060	$3,237	$6,583
Employment Savings	108	179	262	262
NUMBER OF FACILITIES TO BE CONVERTED	41	42	42	125

Mr. WILSON. I might use another example. Some years ago we had 17,000 people, as I recall, working in our insurance program. It is only in the hundreds now, and the primary operation is in Philadelphia. The insurance policy workload is way down. In addition to that, automation of that program has saved thousands of jobs.

FIRE AND SAFETY CODES AND STANDARDS

Mr. GREEN. Turning to another subject, as a result of a recent tragedy, there has been a good deal of attention paid to the problem of fire codes and the compliance with them. Have you reviewed your facilities recently in terms of fire and safety and the adherence to whatever rules you may have?

Mr. WILSON. Yes, sir.

Mr. GREEN. With respect to fire safety?

Mr. WILSON. That is an ongoing project, a very expensive project, to come into compliance with fire and safety codes. Almost every bed that we have closed in the Veterans Administration hospital system over the last few years has been related directly to coming into compliance with fire and safety and privacy practices that are prevalent in the hospital sector now. This is a constant, ongoing review.

Mr. GREEN. Do you feel that you are on top of the problem?

Mr. WILSON. I think there is still much to be done, but I think I am as comfortable as you can get at this particular moment.

Mr. GREEN. Thank you, Mr. Chairman.

Mr. BOLAND. Mr. Traxler.

ORIGINAL BUDGET REQUEST TO OMB

Mr. TRAXLER. Thank you, Mr. Chairman.

I appreciate the fact that this is the position that you are in and your staff also, on this particular occasion. We know it must be difficult for you to bring in news to the Committee as to the revisions, and to assist me, tell me what were your initial requests, your gross requests of OMB back a year ago, as to what you felt should be the sum total of the budget for the Veterans Administration?

Mr. WILSON. A year ago, Mr. Traxler?

Mr. TRAXLER. Yes, sir, in your submissions, your total submission to OMB?

Mr. HOFFMAN. You were talking in terms of fiscal year 1981, I assume?

Mr. TRAXLER. No, 1982, your submissions for 1982?

Mr. HOFFMAN. Yes, sir, I have that.

Mr. WILSON. $24.9 billion. For 1982 it is now down to $24.2, a cut of $744 million.

Mr. TRAXLER. What was the Carter recommendation, so I can put these figures in perspective?

Mr. WILSON. The Carter estimate?

Mr. TRAXLER. In the 1982 budget?

Mr. HOFFMAN. Mr. Traxler, speaking in terms of budget authority, in September we asked for $23,966,000,000, and there was a

reduction of $764 million from that figure, bringing us to a January budget request of $23,201,927,000. The revised budget for March is $22,675,619,000, a reduction of $526,308,000. So, over the two budgets, this agency has been reduced something in excess of one and a quarter billion dollars.

Mr. TRAXLER. The figure that you submitted to OMB last year was your best judgment as to the lowest amount of monies that the agency could effectively operate under?

Mr. WILSON. Yes, sir, but it did not include the increase in compensation in September, the increase in pensions of last July, the increase in pensions that will be due July 1 of this year.

Mr. HOFFMAN. We can submit this for the record.

Mr. TRAXLER. I would appreciate it if you would do that.

[The information follows:]

Veterans Administration, fiscal year 1982 budget authority

OMB submission	$25,445,848,000
Reductions	−499,621,000
January budget submission (January 15, 1981)	24,946,227,000
Reductions	−743,731,000
Revised budget submission (March 10, 1981)	24,202,496,000

Mr. TRAXLER. Mr. Wilson, how many years have you been coming before the Committee?

Mr. WILSON. Since 1969.

Mr. TRAXLER. Is this the first time you have had to be the leadoff man?

Mr. WILSON. Yes, sir.

Mr. BOLAND. He was also the chief advisor, though.

Mr. TRAXLER. He sat to the right. Well, I appreciate the problem that you have and the difficulty that today's hearing presents for you, but the Committee also has some responsibility to ferret out precisely what these new submissions mean to us in terms of Veterans care and a very fine medical system.

Mr. WILSON. I appreciate what you say. I am here defending as best I can the revised budget and I continue doing that. As I said during our budget review rehearsal the other day, the President did not say this was going to be an easy matter. He said it was going to be very difficult and we understand where the Committee is coming from.

Mr. TRAXLER. Thank you.

Mr. BOLAND. Mr. Young.

OMB ROLE IN BUDGET REDUCTIONS

Mr. YOUNG. Mr. Wilson, when OMB set down these rather substantial reductions for your budget, was the VA consulted, or were these figures developed by OMB itself?

Mr. WILSON. These figures were developed by OMB itself.

Mr. YOUNG. Were you given an opportunity to respond to OMB's recommendations?

Mr. WILSON. Yes, sir, Mr. Young, last Monday, March the 2nd, at 1:00, I received a telephone call telling me what the figures were. We had a few hours in which to respond within certain guidelines. We were told we could appeal certain line items provided we found

offsets for the money and people that were involved in the same general account.

There was a rare exception given to that. If we had some very explosive situation that was going to be just horrendous, we could have made other appeals. We did in fact make certain appeals to the Office of Management and Budget by late that Monday evening. The following day, we were given the final decisions.

Mr. YOUNG. Were they fairly responsive to your position?

Mr. WILSON. They were, I think, "fairly responsive" is a good answer, Mr. Young.

Mr. YOUNG.With an emphasis on fairly?

Mr. WILSON. I will stand by my statement.

Mr. WILSON. They did respond to several specific proposals. For instance, they wanted us to eliminate a certain function that involved 15 jobs. I told them I did not think we should eliminate those 15 jobs. The answer came back, okay, you do not have to eliminate those particular 15 jobs but you need to find 15 in some other area.

Mr. BOLAND. That is fair.

Mr. WILSON. There was a similar situation with respect to 80 positions. I did not want to do, and our people did not want to do what they suggested. Then they said you don't have to do it but you have to find 80 jobs somewhere else. There was a proposal, which remains in the budget, to cut 240 positions out of Canteen Services in 1982.

I argued that the Canteen Service comes from non-appropriated funds, it was a self-sustaining operation, and that saved no money for the Federal government, although it did get involved in the total employment ceiling of the Federal government and the total employment ceiling of the Veterans Administration. Again the answer came back you do not have to eliminate the 240 jobs in the Canteen Service, but, you have to find 240 jobs someplace else. That meant the 240 jobs would have to come out of Medical Care. After consultation with Dr. Custis, we decided that would not be a wise thing and we decided to accept the cut of 240 jobs.

EMPLOYMENT REDUCTIONS, 1982

Mr. YOUNG. Will you be able to avoid any substantial cuts, then, in Medical Care?

Mr. WILSON. No, sir, the budget will not be able to avoid the 5,181 positions reduced in Medical Care. We will not be able to avoid the 62 reductions in the Medical Administration program and 308 jobs in the Research program.

Mr. YOUNG. I would assume that any reduction, whether it be in administrative or medical care, would be done based on need. I am thinking of occupancy rates. In some areas you have mentioned the possibility of combining some wards, and we talked earlier about closing hospitals. I would assume that this would be done taking into consideration the patient load.

In some parts of the country, patient load is increasing. I understand in Florida, for example, nearly 5,000 cases every month show up at the Veterans Administration's facilities.

I would assume that it would be difficult to make a substantial reduction there without making even more substantial reductions in the areas from where those veterans originate.

Mr. WILSON. I think it is fair to say, Mr. Young, that the cuts will have to be across-the-board across-the-country taking into account occupancy rates, taking into account the turnover of patients, taking into account affiliation, taking into account everything that we must do in the medical program thereby making our cuts as equitable as possible.

Dr. Custis might want to comment.

Dr. CUSTIS. No, sir, I think that says it.

Mr. YOUNG. I'm sure he would just as soon stay out of this conversation for the time being.

Dr. CUSTIS. I think perhaps it might be helpful to state that while we are talking about the closure and consolidation of 60 wards, we haven't identified the specific wards. At this point it is a paper commitment.

Mr. WILSON. Mr. Hoffman reminded me that we are looking at all parts of the organization, administrative overhead, central office functions, not only the Department of Medicine and Surgery but all the other places too.

When the rather substantial reductions were suggested in the Department of Veterans Benefits, I immediately made a decision to apply part of those reductions to the total staff of Central Office, so the entire difficulty of this matter did not rest on the shoulders of the Department of Medicine and Surgery. We are going to continue to be doing that.

SERVICE IMPACT OF REDUCTIONS

Mr. YOUNG. Mr. Wilson and Dr. Custis, do you believe that the Veterans Administration will be able to handle this reduction without any serious curtailment of services that have been promised to veterans?

Mr. WILSON. Mr. Young, I think is is going to be difficult, but I think it is something we have to do in terms of the national economy and the present program. I think that when we finally get this program in place, it is going to be stretched out in time limits the way we do things. I think perhaps in terms of processing claims we are going to have to increase the amount of time that we previously considered to be good quality. I think they are going to have to stretch out, I think we are going to look at everything that might in any sense of the word have frill attached to it, to make eliminations.

I think to answer your question, yes, more specifically, that there is going to be some change, some considerable change in the way that we have done things in the past. There is going to be some change in face-to-face people dealings, as regards, for instance, employees and veterans. I think we are going to have to be as innovative as people can possibly be to achieve these reductions, but I think we can do it.

Mr. YOUNG. I am glad to hear you say you think you can do it. It certainly is a major challenge, no doubt about that.

Let me tick off a few additional items. Veterans' pensions will not be affected by this, correct?

Mr. WILSON. Except to the extent that as I mentioned in my statement, the proposed 12.3 percent increase, index to the Social Security increase of next summer will now be reduced to 11.2 percent because of a change in the estimate of what the inflation rate is going to be.

Mr. YOUNG. What about the disability benefits paid to service-connected veterans?

Mr. WILSON. The only reduction is from 12.3 percent to 11.2 percent, again because of the revised estimates of the rate of inflation.

NON-SERVICE-CONNECTED IMPACT

Mr. YOUNG. In the question of reduction of medical personnel, does this mean you would have to be much stricter with the rules relative to veterans with service-connected disabilities receiving hospital or outpatient care, as opposed to veterans with non-service-connected disabilities?

Mr. WILSON. We propose, Mr. Young, a reduction in the number of ambulatory care visits in the non-service-connected area. We propose a reduction of $35 million, which will have to be accomplished by legislation in terms of beneficiary travel for non-service-connected cases. We will be doing those kinds of things, Dr. Custis?

Dr. CUSTIS. There are smaller programs eliminations that will not have that much of an impact because they are not that large. I am thinking, as an example, of hospital-based home care which is eliminated in this budget.

Mr. WILSON. To turn your question to a little different direction, Mr. Young, there will be no adverse impact on service-connected veterans at all.

Dr. CUSTIS. I think, Mr. Young, it should be realized that we are of necessity cutting back in workload. We are cutting out-patient care by ten percent. We expect a net drop in patient census of 1,277. When that happens, and there is no change in entitlement, it means that there is, as Mr. Wilson says a slowdown, there is going to be more queuing, and there are going to be non-service-connected veterans who will not gain access to the system.

Mr. WILSON. You recognize, I am sure, sometimes patients come into the ambulatory care program, as an outpatient, and it is from there they enter the system, many times ending up being hospitalized. There will be some people who will not get into the system through the ambulatory care route and, therefore, not get future hospitalization.

Mr. YOUNG. If I remember correctly, during the last year or two, wasn't there also a rather strong effort made to reduce the number of non-service-connected cases that were being treated as though they were service-connected? Wasn't there a pretty strong effort to either reduce or eliminate that?

Mr. WILSON. I don't recall that, Mr. Young.

Mr. YOUNG. I remember getting a number of complaints from veterans with non-service-connected cases who said they were no longer getting the care they wanted, and that that care had been specifically reserved for veterans with service-connected problems.

Mr. WILSON. I think that might relate to people who also had a right to treatment under the military retirement system. I don't recall that we reduced any people specifically because they were non-service-connected.

Dr. CUSTIS. I think probably you are recalling that point in time when we emphasized priority and issued identification cards.

Mr. YOUNG. Yes, that's correct.

Mr. WILSON. What Dr. Custis is referring to, the previous Administrator did put out a system of giving priority in ambulatory facilities to service-connected veterans with a different folder and they did get priority and it did cause consternation among non-service-connected veterans who had arrived at the facilities earlier in the day.

SERVICE-CONNECTED PATIENTS

Mr. BOLAND. What is the average number of non-service-connected patients in Veterans Administration hospitals?

Mr. WILSON. Roughly 70 percent.

Mr. BOLAND. And that has grown over the years, hasn't it? As I recall, I sat here some years ago and it was down to 65 percent, if not lower.

Mr. WILSON. I think you are correct, if you go back a number of years.

Mr. BOLAND. Now it has climbed to approximately 75 percent?

Mr. WILSON. About 70 percent, I think.

Mr. BOLAND. You are going to have difficulty adjusting that percentage.

Mr. WILSON. I think this might be the appropriate time to say that on occasion there are those who say our hospital system should treat only service-connected veterans. It is my opinion and Dr. Custis' opinion and virtually everybody elses, that that would entirely wreck the Veterans Administration system, because there would not be the sufficient mix of patients to have a good hospital system if we only treated the service-connected. It would destroy our affiliations, it would have a tremendously adverse effect, I think, on our research program.

OMB STAFF

Mr. BOLAND. Let me ask about your interface with the Office of Management and Budget. How many people in OMB are experts on the Veterans Administration budget?

Mr. WILSON. There are four examiners and then the hierarchy above them, going up to the Director.

Mr. BOLAND. Do those examiners deal solely with the budget of the Veterans Administration, or do they examine the budgets of other agencies as well?

Mr. WILSON. Our particular examiners, as I understand it, Mr. Chairman, only attune themselves to the Veterans Administration budget.

Mr. BOLAND. Do you know whether or not the recommendations for some of these cuts to the 1982 budget came from them?

Mr. WILSON. It is my understanding, Mr. Chairman, that some were and some came from higher up.

Mr. BOLAND. Those examiners have been there for a good number of years. I imagine that they have been dealing with these programs for a long period of time.

Mr. WILSON. That is correct. I have been told, Mr. Chairman, that in some instances they were given dollar ceilings and personnel ceilings and they were told to make recommendations as to how to achieve those ceilings, in both dollars and people.

Mr. BOLAND. I can't understand why OMB recommended the elimination of 240 positions in the Canteen Service. I would think OMB would have recognized that those salaries don't come from appropriated funds, and that the Canteen Service is a self-sufficient operation within the Veterans Administration system. I can't understand at all why OMB would make that recommendation.

Mr. WILSON. I can only presume, Mr. Chairman, it came as a result of overall personnel ceilings that were handed to them, because they did make a decision later on, if we could absorb those 240 positions somewhere else——

Mr. BOLAND. Absorb 240 positions somewhere else, but you are not paying for the 240 positions.

Mr. WILSON. That is correct.

Mr. BOLAND. They eliminated 240 positions in the Canteen Service, suddenly found out that you were not going to take the reduction there since those funds are not appropriated in the VA budget, and then told you to take the cut somewhere else in the Veterans Administration budget. I can only presume that the overall Federal ceiling on employment was the OMB's prime motivating factor.

Mrs. Boggs?

NEW ORLEANS CONSTRUCTION DEFERRAL

Mrs. BOGGS. Thank you, Mr. Chairman.

I thank all of you. It is very nice to see you all.

I am, of course, very perturbed and upset by the deferral of the construction of the Veterans Administration Hospital extension in New Orleans. As you know, there is a crying need for this extension. The GAO report issued in 1975 documented the needs that necessitate an extension. The hospital, of course, lost its accreditation at one point, largely because of the overcrowded conditions.

The Surveys and Investigations Staff of the Appropriations Committee went to New Orleans to investigate the needs and problems. They verified the findings of GAO. Then, this Committee and its own staff visited the site and concluded that the extension was clearly necessary. We continue to have a dreadful situation in the hospital and its environs.

We had an ongoing difficulty with the State of Louisiana in being able to acquire some land that we needed for the extension. Because last year, the concern about the need for budgetary restraint was so strong, there was a suggestion on the Senate side that these appropriations ought to be deferred. With that prospect in mind, and the knowledge that the construction would cost so much more some years down the line, we appealed to the Congressional delegation, appealed to the Governor, and the State Legislature. The result was that in a timely fashion, in time for the Conference Committee's consideration of the Appropriations bill,

the State did indeed agree to the land transfer which has now been consummated.

The argument to them was that if they continued to defer the transfer of this land that the cost of the hospital was going to continue to escalate and the veterans of our area would continue to be underserved.

Now that we have the land transferred, and we have the appropriations ready to go, we are confronted with an Administration plan for deferral of the construction of this badly needed facility. I wonder if you could give me any justification?

Mr. WILSON. Mrs. Boggs, obviously we would not have recommended sometime ago that New Orleans be in the budget if we did not share your views and share the views of the people of Louisiana and New Orleans as to the necessity and need for that hospital.

You are quite correct, we had a great deal of difficulty with the land problem, that was finally taken care of through a great part of your efforts. I can only state that when the time came to bite-the-bullet, I guess you would say this project and eight others were, in fact, deferred. I can only say that they were deferred in connection with the total objectives of the President in trying to balance the budget. I cannot give you any logical reason other than that as to why a needed project was deferred.

I can make the same statement with respect to the other eight projects. They had all been fully justified in the budget in previous times. Almost every one of those projects had some difficulty attached to it, it is simply and purely a matter of a budget reduction in connection with overall Administration objectives.

Mrs. BOGGS. But sir, this is a deferral intended to look good as far as the capital outlays are concerned. We know it is going to cost more to build down the line. We know that in the meantime the people are being terribly underserved. There is another proposal to shut down the Public Health Service Hospital, which would then impact even more severely upon the services the Veterans Administration hospital is able to provide. I don't see how the cost-benefit ratio could posibly justify not taking veterans simply to make one set of budget papers look good for a particular year. How can you justify this severe impact upon the budget of the United States in the long run, and the veterans of the United States in the short run?

Mr. WILSON. Mrs. Boggs, I might point out that on the day that we received the budget cut suggestions or the budget cut, I think you would say decisions, in this regard we pointed out that evening in a piece of correspondence to the Office of Management and Budget what the inflationary impact of these deferrals would be.

The inflationary impact with respect to two years for the total of nine projects, as I recall, is $56 million. We pointed out that because we wanted to make absolutely certain that was taken into consideration as the final decisions were being made. I am told it was taken into consideration, but nevertheless the decision was made.

Mrs. BOGGS. I hope it can be unmade.

Thank you very much. I know of your interest and I would like you to know that my questions, because I am a member of the

Subcommittee, are joined by Congressman Moore, who was the first person to suggest the GAO study years ago, and by Congressman Livingston, who shares in the representation of the City of New Orleans with me and who is now a member of the Appropriations Committee. The three of us jointly are asking the questions that I have raised.

READJUSTMENT COUNSELING PROGRAM

Last year I had this very nice notice from the Veterans Administration concerning the opening of a Readjustment Counseling program for veterans of the Vietnam era. It explained that this long overdue program is intended to assist veterans of the Vietnam era in readjusting to civilian life. The New Orleans Veterans Administration Medical Center was selected as the parent facility for the veterans center for our area. It goes on to say how very important this new program is and to invite me to the opening of the center.

Now, I noticed that the funds for these centers are not included in this year's budget. Would you give me the justification for that?

Mr. WILSON. The legislative authority for those veterans centers was expiring in September of this year. When President Carter's budget was submitted to the Congress it was supposed to have contained language, as I understand it, to extend the program for two more years. Last year the Congress, in addition to that, added 176 jobs, as I recall, to the veteran centers project nationwide. We were in the process of hiring some of the people related to that 176 increase when the budget decision time came.

The current Administration, again in terms of the economic program of the President, has determined that it will not seek the extension of this program beyond September and will let the 91 centers that currently exist expire at that time.

Mrs. BOGGS. So all of this——

Mr. WILSON. I think you know there has been a considerable controversy in the Congress over a period of time as to the justification for those veteran centers. Ultimately, the Congress said 18 months ago that they did want to experiment with the idea for two years. Now that experimentation has taken place.

A majority of the veteran centers, I think, have been successful. The question, then becomes whether or not the extension should take place in terms of total objectives of the government, the economic objectives, and a decision has been made that they are good but that they are expendable.

Mrs. BOGGS. The closing of the centers when their authorization expires in September, simply doesn't seem to fit with President Reagan's words expressing our national failure to appreciate our Vietnam veterans for their service and sacrifice and also expressing our continuing responsibility to those who served in that war and have had difficulties in rebuilding their lives.

I just wondered about the discrepancy between those feelings on his part and the closing of the centers.

Mr. WILSON. Mrs. Boggs, some moments ago the Chairman used the words that have been expressed to him, the idea of the Veterans Administration perhaps being a sacred cow. I made some facetious comment about that too, related to the $744 million reduction.

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The news broadcast over a period of time kept talking about certain programs that were not going to be touched in any way. I never really believed that was going to happen. I always believed the Veterans Administration had to be part and parcel of the total national effort. Ultimately, the time came when in fact those decisions were made and we were told we were going to be part of the national effort.

The total amount of the cut, while it is considerable in terms of $744 million, is something that has to be related, I think, to the $24 billion that is the total of the budget. I am confident that the President has great concern for Vietnam Veterans, for veterans of all wars. It is just that when the time came to make decisions, this was a program that was already expiring by Congressional Act itself, and a basic decision was just made not to extend it. That is all I can say about it.

Mrs. BOGGS. Thank you very much.

ST. PAUL DATA PROCESSING CENTER CLOSURE

Mr. SABO [presiding]. Welcome.

I have a variety of questions, but let me at this point focus on one. I am curious as to when and where the decision was made to eliminate the Data Processing Center in St. Paul?

Mr. WILSON. I am sorry, did you say when was it made?

Mr. SABO. Yes, and where?

Mr. WILSON. It was made last Monday, in terms of notification to me. It was made by the Office of Management and Budget. I am certain the decision was transmitted to me by the Office of Management and Budget. I presume those decisions ultimately were basically Presidential decisions.

I might say, sir, that for a period of time that there have been indications perhaps we ought to look at some of the data processing centers in terms of combining them. We did in fact close down one in Washington, D.C. and combined its workload in other places. St. Paul has been looked at in this context a number of times.

Mr. SABO. I assume you have also looked at the one in Hines, Illinois, Los Angeles, Philadelphia, and Austin, Texas, in the same context?

Mr. WILSON. Yes, sir. As a matter of fact, we have and we are in the process of establishing a new program in Austin, Texas, which will involve the transfer of a number of people to Austin from other DPC's, as that program culminates. We constantly look at these things in that context, Mr. Congressman.

Mr. SABO. Do you have any documents that show the result of your comparative studies between St. Paul and Austin, and Hines, Los Angeles and Philadelphia?

Mr. WILSON. They all do different things for the most part, Mr. Sabo, but there are comparative studies, yes sir.

Mr. SABO. Could I get a copy of those?

Mr. WILSON. Let me make sure I didn't misstate myself. Mr. Martin, are there comparative studies?

Mr. MARTIN. There are various kinds. I don't think there is a study comparing whether it would be better to close Los Angeles or

St. Paul for instance. Each of the data processing centers has a specific mission, Mr. Sabo. Los Angeles, Chicago, and Philadelphia, the three larger centers, exist principally to support the new compensation pension and education system that we installed last year. It was designed to be regional for cost effectiveness, and these are the reasons that those stations exist.

As I mentioned earlier, in answer to Mr. Green, Austin is our largest administrative center. It does most of the systems development work today in the agency, versus operation work. What Mr. Wilson alluded to was an internal management evaluation, leading to a decision to centralize all personnel involved in improving systems and designing new systems, into one central point. We do have a report supporting the decision that the optimum location for this effort would be Austin.

In St. Paul, the major mission today is one dealing with accounts receivable, which is part of the compensation, pension and education system. It is an interim system, which is due to be redesigned and incorporated as an integral part of the Target system. That is the CP&E system I was discussing a moment ago. When that happens, then there is no national mission remaining at the St. Paul Center.

This is a process of winding down which has been going on for perhaps eight years now. Eight years ago we had nine data processing centers. With the kind of exploding technology that exists in data processing we have to adapt to changing needs and recognize the possibility of economizing that the technology provides.

As we see ourselves today, we no longer have a requirement or the justification for spotting centers around the country in large numbers. Communications technology has improved tremendously. So what we are doing is trying to consolidate, to economize on increasingly expensive skills, development specialists, and programmers, and in doing this, we have projected a very significant overall manpower saving.

EMPLOYMENT FOR ST. PAUL DPC EMPLOYEES

Mr. WILSON. Mr. Sabo, I think I would want to add this. We are completely mindful of the dislocation and disruption of people's lives when this kind of thing takes place. We are going to use every personnel technique we possibly can in terms of saving the employees including offers of transfer if they want to go.

There will be priority consideration for employment in vacancies in the Minneapolis area, both at the hospital and regional office, and the insurance center. I want to assure you we are going to do everything we can do to minimize the disruption that obviously takes place in a situation like this.

Mr. SABO. I would be curious to see the justification, if you could provide some, of the immediate costs in terms of personnel. I assume reading from your budget justification you don't need to replace the people in Austin, you simply close the center in St. Paul.

Mr. MARTIN. We have done an economic analysis in the last week and a half.

Mr. SABO. After the decision was made?

Mr. MARTIN. Yes, sir.

Mr. WILSON. Let me speak to that for a moment. It is quite true that we have made a number of studies since the decisions were made.

Mr. SABO. Is Austin the computer center of the country?

Mr. MARTIN. Pardon?

Mr. SABO. Is the Austin area the computer center of the country?

Mr. MARTIN. Yes, it is the largest. In our assessment, we have approximately 170 employees at the St. Paul Data Processing Center. It is an excellent group of people, very work oriented.

Mr. SABO. You mean they are productive?

Mr. MARTIN. Yes, sir. I would rate them very highly. What happens in this kind of consolidation, with function of size, and better utilization of equipment, we will probably save a net employment of 90 FTE.

Mr. SABO. Not 140?

COSTS TO CLOSE ST. PAUL DPC

Mr. MARTIN. No, The remainder will have to come from other areas of my budget in fiscal year 1982. It would appear to us from the best technical studies we have been able to make that we will save perhaps a maximum of 90 people in this move. There are additional savings to be made because we will surplus a second generation computer, and we will put to work more modern computers that reduce our maintenance costs. It will also reduce our space rental costs.

There are offsetting costs, however. In order to do this, in fiscal year 1981, we estimate it will cost about a million and a half dollars in one-time costs to bring this about.

Mr. SABO. Is that in the budget already?

Mr. MARTIN. No, sir, it is not. This is largely a translocation cost. I think Mr. Wilson described our posture on people quite accurately. We are very people conscious and we will do everything that we can to minimize the impact on the employees affected.

Mr. SABO. How much traveling do these people do?

Mr. WILSON. Not very much. Traveling usually takes place from the Central Office, to there and back.

Mr. SABO. I would appreciate some of your documentation so we can look at it. I only became aware of the recommendation this morning.

Mr. MARTIN. I will be happy to provide more detail for the record.

[The information follows:]

The estimates of the cost to close the St. Paul DPC are:

Site preparation	$25,000
Equipment moves	25,000
Furniture and others	0
Equipment moves	50,000
Outside contractors, requirement contract	125,000
Overtime	25,000
Travel	100,000
Relocation costs	500,000
Terminal leave and severance pay	600,000
Total	1,450,000

The approximate yearly savings resulting from closing St. Paul are:

90 FTEE	$2,029,000
Space charges	350,000
ADP maintenance	294,000
ADP rent	169,000
Miscellaneous	100,000
Total	2,942,000

Mr. SABO. Frankly, all I have learned about this move is what I have glanced at while sitting here and listening.

Mr. WILSON. I might say that surprises me a little bit. Every time we have any conversation about St. Paul, I usually get a telephone call back the next day sort of repeating to me in detail what I said. The employees out there have tremendously good antennas and I think they have heard something about this rumor.

I know, as you do, that the budget information, the revisions were embargoed until today and we haven't really been able to talk to them about this.

Mr. SABO. I take it this closing was not on the basis of your own good judgment within the Veterans Administration?

Mr. WILSON. I think it is fair to say that we would have not picked this particular time to have closed it. We had it in our long range plans, not only this place but other places, but we did not contemplate doing it at this particular time, this moment in history.

Mr. SABO. Thank you.

We are in recess until 2:00 o'clock.

AFTERNOON SESSION

DEFERRALS OF CONSTRUCTION PROJECTS

Mr. BOLAND. The Committee will come to order.

I have a question about deferrals. Why are you proposing to defer a series of construction projects that have already been funded, which presumably are in the planning stage at least, while at the same time (as shown on pages 14–5 and 14–6 of Volume II), you propose to begin construction on a number of major new projects, including the new hospital in Albuquerque, a new clinical addition in Birmingham, nine new nursing homes, and a number of outpatient improvements and additions?

Why are these being started? I cannot understand the logic of deferring the projects that you indicated this morning, will have an added cost of some $56 million if they are completed down the road, beyond 1982.

Mr. WILSON. Mr. Chairman, I understand your concern. These were matters coming from the Office of Management and Budget. I would suspect we will be looking at all those additional items that are still in the budget as contrasted to those which have been requested to be deferred.

Mr. BOLAND. Did OMB direct which projects would be deferred, or did they give you a target and ask you to come up with them?

Mr. WILSON. They were given to us.

Mr. BOLAND. They specifically spelled out the particular areas where the deferrals would be effective. Is that correct?

Mr. WILSON. The nine items. The nine different deferrals. One was for one year, and the remainder for two years, plus the two hospitals which will be the subject of rescission.

OUTYEAR IMPACT OF DEFERRALS AND RESCISSIONS

Mr. BOLAND. Is there any chance that these projects are being deferred because the OMB is looking at the bigger question of reducing the size of the entire VA Medical Care System, so maybe these projects will never be built?

Mr. WILSON. I don't think so, Mr. Chairman, because, for the most part, the clinical additions are construction projects at existing hospitals, and I don't think they would materially affect the number of beds that we have in the system. I don't think there was any attempt in a back-door way to look down the road and say there would be a further curtailment of the program.

Mr. BOLAND. Would you agree, Dr. Custis?

Dr. CUSTIS. I think it is only fair to say that we have another concern, and it doesn't necessarily have anything to do with OMB and the guidance which may be coming from the Administration, but there are elements in Congress, and there are abroad in the national health care scene, sentiments best expressed by the AMA's resolution on Mainstream. The Heritage Report, in chapter 13, written by Mr. Cotton Lindsay, proposes a severe cutback of in-house care of veterans and that the Congress should provide for care on a voucher basis, particularly in areas where there is overbedding, and where there is a concentration of physicians.

Mr. BOLAND. You would not disagree with the recommendation where there is overbedding, would you?

Dr. CUSTIS. I would.

Mr. BOLAND. We are going to face that problem in a couple of instances here. We will pursue that in a little more depth when we get to it.

Dr. CUSTIS. It may well be Baltimore, for example, falls in the category where there is well-known overbedding and a substantial portion of the community is critical of the VA for building that hospital.

Mr. GREEN. In the choice between what has been allowed to go forward and what has been proposed not to go forward, can you see some pattern on which the decisions were made?

BALTIMORE AND CAMDEN HOSPITAL PROJECTS

Mr. WILSON. The pattern I saw with respect to Baltimore and the Camden Hospital was that they were about to be awarded. The contract had not yet been let. We were negotiating with the Small Business Administration for the first phase at Baltimore, but the contract had not been let. We had not begun at Camden. Because they were in that mode was why they were picked up, I believe.

There has been considerable controversy in Baltimore, and there has been a long, continuing controversy about the Camden project. The latter had a cap on it of $75 million, and because of inflation over the period of time we have been considering the building of Camden, inflationary pressures really had us down to a 127-bed

hospital and 120 nursing beds and a serious question arises as to whether or not you can meaningfully build a hospital with that limited number of beds, because you have to put all the support facilities in there as if it were a much larger hospital, and I think that was one of the concerns.

Mr. BOLAND. What is the position of the State of New Jersey? The State of New Jersey and the VA were reaching an agreement on the type of hospital that would be built. I believe they were going to enlarge the hospital, or put a medical school in that area? What happened to that?

Dr. CUSTIS. They have gone ahead with the establishment of the south campus for the University of New Jersey Medical School.

Mr. BOLAND. What sort of facility?

Dr. CUSTIS. Allopathic and osteopathic school.

Mr. BOLAND. That wasn't the original plan, was it?

Dr. CUSTIS. The original plan was entirely allopathic, and then there was a rumor that it would be entirely osteopathic, and I think the final result was a compromise.

Mr. BOLAND. We will be getting into that later.

PROPOSED LEGISLATION

On page 18-13 of Volume III, there is a list of proposed legislation—I have been looking at this proposed legislation for years. I must say, we have been reading the same legend on some of these proposals for some time.

As I understand it, if these proposals are accepted by the Veterans Affairs Committee, and are passed by the Congress, they are going to save about $140 million. Most of them have been proposed before and rejected by the Congress. The major proposals are: eliminate flight and correspondence training, targeted to save $32 million; eliminate presumptive service connection for Class II outpatient dental treatment one year after discharge, targeted to save $32 million; restrict payments of beneficiary travel for non-service-connected veterans, which should save $35 million; and cap physician special pay, which should save about $40 million.

You have tried before to restrict payments for beneficiary travel and your efforts were unsuccessful.

Mr. WILSON. Mr. Chairman, you might recall there was a bill passed by the Congress, vetoed by President Carter, and then the veto was overridden by the Congress to change the method of special pay to physicians and dentists in the Department of Medicine and Surgery. At that time, there was a controversy as to what it was going to cost. The Congressional Budget Office had an estimate, the Veterans Administration had an estimate, and I think OMB had an estimate.

The Veterans Administration's estimate, as I recall, was that it was going to cost about $80 million extra. The Congressional Budget Office, as I recall, thought it was going to cost about $40 million. The current proposal is that there would be a cap on the amount of physicians' bonus, and it would save $40 million in terms of the total budget.

Mr. BOLAND. What happened to the proposal for reimbursement from insurance companies for non-service-connected treatment of disabilities? The savings projected last year was $35 million.

Mr. WILSON. We have backed away from that proposal, Mr. Chairman.

BENEFICIARY TRAVEL PAYMENTS

Mr. BOLAND. We talked about beneficiary travel. There was an effort made to reduce that last year, wasn't there?

Mr. WILSON. Yes, sir, there was both an administrative attempt and a legislative attempt. This particular proposal is involved in having non-service-connected beneficiaries pay a deductible, so to speak. They would pay the first part of their travel expenses—for instance, $3, $5, or $10.

We have an agreement with the Office of Management and Budget that we will sit down and try to work out an acceptable legislative proposal to present to the Congress that would, in fact, save $35 million. That total budget, by the way, Mr. Chairman, is now approaching $100 million. It is far in excess of what it used to be.

We only used to pay beneficiary travel for service-connected care and treatment. Even then, in some metropolitan areas we didn't pay that, but it has now progressed to the point where it is approaching $100 million, and we and the Office of Management and Budget thought that this is a place where we ought to look for savings. I think the Congress has looked at this, too.

Mr. BOLAND. Do you have any idea of how the Veterans Affairs Committee looks at this?

Mr. WILSON. Yes, sir. We have discussed it with them. I think they look somewhat askance at it at the moment, although I don't want to put words or ideas into their mouth.

They understand the problem—a hundred million dollars. They understand the concern that is being expressed about this.

I believe that they would look at a legislative proposal that was well thought out, with a great deal of thought. I don't think they would discard it out-of-hand.

Mr. BOLAND. As I understand it, this legislation proposes to restrict payments of beneficiary travel to the non-service-connected veterans, is that correct?

Mr. WILSON. Yes, sir.

Mr. BOLAND. How about a limitation in the Appropriation bill restricting the travel payments to sixty percent of the cost for non-service-connected veterans?

Mr. WILSON. It would certainly be an approach, Mr. Chairman, that we would take a long and careful look at.

Mr. BOLAND. As a matter of fact, if you had that sort of limitation, it would help you, wouldn't it?

Mr. WILSON. Yes, sir.

TERMINATION OF FLIGHT AND CORRESPONDENCE TRAINING

Mr. BOLAND. Last year, we had a bill to eliminate flight and correspondence training benefits. That language in the House bill was deleted in the Senate and in conference, because the Senate Veterans Affairs Committee indicated it would take care of the problem. The "Educational and Rehabilitation Amendments of 1980" reduced the percentage of the total charges VA will pay for

flight and correspondence training to 60 and 70 percent, respectively.

Do you agree that flight and correspondence training courses should be eliminated?

Mr. WILSON. Yes, sir. I think the action in the Senate was a step in the right direction. I think it will help, and I think the cold, clear, hard record, Mr. Chairman, would show that flight training and correspondence training, while good in some respects, has not nearly met their objectives, and I think in terms of the total national economy, in terms of what we have to do with all of our programs, these are programs that can bear elimination.

Mr. BOLAND. Flight training has attained its objective: at one time, there was a lack of trained pilots. But now, those training in this particular program are those who like to fly, I imagine.

Mr. WILSON. In theory, Mr. Chairman, and more than theory, in the law, it is supposed to be a vocational program. It is supposed to go toward a vocational objective and not an avocational objective.

I think the record shows while many, having justified their training on a vocational aspect, it ended up as avocational.

Mr. BOLAND. What sort of training do you talk about when you refer to correspondence training?

Mr. WILSON. Just about every kind of training there is. It goes all the way from good correspondence schools to schools that are not so good.

I am sure you have seen them on television advertising a truck-driving correspondence school. That is in a 52-week period. That is about 50 weeks of correspondence training and about two weeks actual onsite training, where they actually learn how to steer the rigs.

Mr. BOLAND. What is the average cost of that kind of training? Please furnish that for the record, as well as what the average costs are in other areas in which we have correspondence training.

We are going to make every effort to nudge the Senate a little further this year in this area. I believe at least the majority of the members on this Committee have no qualms about thinking that. It is about time these training programs came to an end.

[The information follows:]

COST OF CORRESPONDENCE COURSES

A typical example is the Professional Tractor Trailer Training course offered by the North Americal Training Academy. This course has thirty correspondence lessons at $48 per lesson for a total of $1,440. The VA would pay 90 percent of that total if the veteran were enrolled before October 1, 1980. Otherwise the veteran would receive 70 percent of that total. This course also consists of a resident training program costing $1,350. While enrolled in this phase of the program the veteran would receive the regular institutional rate of education assistance.

The costs of other correspondence programs can vary greatly. For example, an accounting course offered by North American Correspondence Schools costs $884 for 16 lessons, while an automobile upholstery course offered by the same school costs $589 for 13 lessons. One gun repair course costs $1,050 for forty lessons. The veteran would receive 90 percent or 70 percent of these charges, depending on when he or she began training.

Mr. WILSON. Mr. Chairman, having made that statement with which I will associate myself, there will be those who say we are making attacks on some good schools. I am sure there are good correspondence schools. Just in terms of our total national objec-

tive, it seems to me these flying programs are programs that can go.

BENEFICIARY TRAVEL ENTITLEMENT

Mr. BOLAND. Let me again ask you about beneficiary travel. Does the VA consider that to be an entitlement program?

Mr. WILSON. I think our General Counsel would say so even though the law says the Administrator "may pay".

Mr. BOLAND. Where is the General Counsel? Mr. Coy?

Mr. COY. We believe it is so woven into the provisions of Medical Care that although the word "may" is used in the statute, the way it has been utilized through the years makes it an entitlement. We believe it is an entitlement.

Mr. BOLAND. Is that the reason why you are requesting a $15 million supplemental appropriation for this area—because you believe it is an entitlement program?

Mr. WILSON. Yes, sir.

Mr. BOLAND. It is difficult to reconcile the VA proposal to restrict beneficiary travel in 1982, with its request for a $15,000,000 supplemental appropriation in 1981. Apparently, it is because you believe it is an entitlement program. Is that the only reason?

Mr. WILSON. And we would be out of money.

Mr. BOLAND. I couldn't think of a better reason.

Mr. WILSON. I thought that was a fair response.

Dr. CUSTIS. There is, however, in the 1981 budget, a rescinding or savings of $8 million. The $15 million supplemental remains, but we are also asked by OMB, under the proposed legislation, to save $8 million in 1981.

Mr. WILSON. I think the record needs to be clear, too, Mr. Chairman. For correspondence and flight training, President Carter's budget proposed to eliminate those kinds of training, too. This revised proposal would make the effective date July 1 instead of October 1.

PHYSICIAN SPECIAL PAY CAP

Mr. BOLAND. Give us a brief explanation of the new legislative proposal to cap physicians' pay by restricting special pay to no more than 12 percent of the total funding appropriated, and your judgment as to whether this legislative proposal will go to the Committee on Veterans Affairs, or you will seek a limitation on the appropriation bill.

Mr. WILSON. This would go to the authorization committee, Mr. Chairman. As to the details of the proposal, itself, with the exception of the fact that I would say it is involved with $40 million, I would like to have Dr. Custis do the commenting. I do need to say this is a subject of great concern in the Department of Medicine and Surgery. The doctors and the dentists are very concerned about this proposal. It is a Presidential proposal, an OMB proposal, and it is a proposal that has been, as I say, a matter of very great concern. I would not ask Dr. Custis to do anything at this point except to explain the technicalities of it.

Dr. CUSTIS. Mr. Chairman, the technicalities are that, presumably because the original costing of this bill by the Budget Commit-

tee was indeed $40 million, that it would be needed over and above the original bonus that had been going on since 1975, and that this figure also coincides with 12 percent of the total allotment for all physician and dental pay in the VA; that is why we get the language that we do, that the legislation be written so the bonus does not exceed 12 percent of the total funding for physician and dental pay. Base pay, that is.

However, contracts were written implementing this increased bonus as of January 11 and in those contracts there is a statement which says that this contract goes on as long as there is not new legislation changing it. So that if we are to save $40 million by reason of lowering bonus pay, it must be through legislation in order to conform to the terminology of those contracts.

The method in which they will be done has yet to be defined. I believe that is right. I would defer to the General Counsel.

Is there any specific proposal in this legislation?

Mr. COY. We are attempting to work with OMB to draft legislation to provide sufficient flexibility to the Chief Medical Director to make some variations in both special pay and incentive pay. In those areas where it is most essential that he attract certain key people, he would have flexibility to pay the full amount of the bonus now available, although the total amount payable could not exceed 12 percent of the total base pay, or a savings of $40 million.

Mr. WILSON. You might want us to supply for the record the flexibility the Chief Medical Director has with respect to these payments.

Mr. BOLAND. Will you supply that for the record?

[The information follows:]

CHAPTER 3. PAY ADMINISTRATION

SECTION B. SPECIAL PAY FOR PHYSICIANS AND DENTISTS

1. SCOPE

a. This section outlines VA special pay policy for physicians and dentists in the Department of Medicine and Surgery who enter into written agreements according to provisions of this section.

b. Statutory exclusions contained in 38 U.S.C. 4118 include physicians and dentists who are:

(1) Employed on less than a half-time basis or intermittently, such as individuals without a regularly scheduled tour of duty, consultants, attendings, and other fee basis physicians, and dentists (Half-time basis is defined as employment with a prescheduled tour of duty of at least 40 hours per pay period.), or

(2) Occupying internship or residency positions (both career and noncareer), or

(3) Reemployed annuitants, except that special pay may be paid to a physician or dentist who is a reemployed annuitant if mandatorily retired before September 30, 1978, under the former 5 U.S.C. 8335(a) for having become 70 years of age, or

(4) Not covered by a special pay agreement.

c. The Chief Medical Director has authority to administratively exclude other categories when significant recruitment or retention problems do not exist. These exclusions are contained in the DM&S Supplement to this section. The categories excluded administratively will be reviewed in October of each year.

Authority: 38 U.S.C. 210(c)(1), 4118

2. REFERENCES

a. 38 U.S.C. 4118, as amended.

b. Public Law 94-123, as amended.

c. Public Law 96-330, as amended

3. POLICY

Under 38 U.S.C. 4118(g)(1), it is the expressed policy of Congress to assure that the levels of total pay (basic pay and special pay) for VA physicians and dentists are fixed at levels reasonably comparable with the levels of total pay of physicians and dentists employed by or serving in other departments and agencies of the Federal Government and with the salary rates or income from practice of non-Federal physicians and dentists so as to make possible the recruitment and retention of a well-qualified employee workforce of physicians and dentists capable of providing quality care for eligible veterans.

Authority: 38 U.S.C. 210(c)(1), 4118

4. DEFINITIONS

Entitlement of physicians and dentists to special pay is based upon the components cited in paragraph 6 of this section, in appropriate portions of the DM&S Supplement to this section, and upon the definitions that follow:

a. **Tenure.** To be eligible for incentive special pay involving tenure, the DM&S service may include leave without pay and need not have been continuous but must have been under 38 U.S.C. 4103, under a career residency, or have been otherwise creditable for periodic step increase purposes, as outlined in section A of this chapter.

b. **Scarce Medical or Dental Specialty.** This component of incentive special pay is applicable to a medical or dental specialty for which DM&S has experienced extraordinary difficulties in the recruitment and retention of qualified physicians or dentists. The Chief Medical Director will determine those medical or dental specialties to which this component applies and authorize an amount within the statutory range allowed for each specialty.

c. **Service Chief or a Comparable Position.** A service chief position is one which has been centralized under the provisions of DM&S Supplement MP-5, part I, chapter 250. The Chief Medical Director will determine those positions comparable to a service chief.

d. **Deputy Service Director.** Eligibility for the deputy service director component of incentive special pay includes Central Office physicians or dentists in Medical Director grade who occupy the position of deputy service director or a position which encompasses a comparable level of professional responsibility as determined by the Chief Medical Director.

e. **Service Director.** Eligibility for the service Director component of incentive special pay includes Central Office physician or dentists in Medical Director grade who occupy the position of service Director or a position which encompasses a comparable level of professional responsibility as determined by the Chief Medical Director.

f. **Specialty and Subspecialty Board Certification.** Eligibility for this component of incentive special pay is restricted to physicians who are currently certified as having met the full requirements of the appropriate American Specialty Board. The Chief Medical Director will determine those medical specialties or boards related to the accomplishment of the VA health care mission to which this component shall apply.

g. **Specific Geographic Location and Central Office.** This component of incentive special pay is applicable to those physician and dentist positions for which the Chief Medical Director has determined that there are extraordinary difficulties in the recruitment and retention of qualified individuals or categories of qualified individuals at a specific geographic location. The Chief Medical Director prescribes the criteria, determines the specific categories and the geographic locations to which this component applies, and authorizes an amount as appropriate, within the specified statutory range for a cited period of time.

h. **Special Pay as Basic Pay.** Except as provided below, special pay will not be considered as basic pay for purposes of civil service retirement, work injury compensation, severance pay, lump sum leave payments, or for purposes of any other benefits related to basic pay. Special pay is basic pay for life insurance purposes for eligible full- and part-time physicians and dentists. Special pay is basic pay for civil service retirement purposes for full-time physicians and dentists only. Such individuals on DM&S rolls as of October 1, 1980, may, however, waive such retirement coverage prior to April 1, 1981. Special pay is subject to income tax withholding.

Authority: 38 U.S.C. 210(c)(1), 4118

5. APPROVING AUTHORITIES

a. The Chief Medical Director is authorized to:

(1) Approve or designate other officials to approve special pay for any eligible physician or dentist in accordance with the provisions of this section and the DM&S Supplement thereto,

(2) Approve for any physician or dentist, in unusual circumstances, an exception to the provisions of this section, provided such exception is not contrary to the provisions and intent of 38 U.S.C. 4118 and is deemed equitable to the individual concerned, and

(3) Approve the waiver of refund by any physician or dentist who fails to complete the first year of service under the terms of an agreement due to circumstances beyond the individual's control.

b. Any special pay determination by the Chief Medical Director to approve, disapprove, change, or discontinue special pay will be considered the final agency decision.

Authority: 38 U.S.C. 210(c)(1), 4118

6. PAYMENT OF SPECIAL PAY

a. **Maximum Special Pay Limitation** is the per annum maximum amount of the total (primary and incentive) special pay which an otherwise eligible physician or dentist may receive. Incentive special pay for service in a specific geographic location does not count toward the per annum maximum limitation, and the limitation applies equally to both full- and part-time employees.

b. **Maximum Incentive Special Pay Limitation** is the maximum amount of incentive special pay an otherwise eligible physician or dentist may receive. Incentive special pay for service in a specific geographic location does not count toward the per annum special maximum and this limitation applies equally to both full- and part-time employees.

c. **Primary Special Pay.** All physicians or dentists who are eligible for special pay under this section and the DM&S Supplement thereto will receive the appropriate per annum amount of primary special pay. Primary special pay for part-time physicians and dentists is determined on a prorated basis by the proportion which part-time employment bears to full-time employment.

d. **Incentive Special Pay** is special pay which otherwise eligible physicians or dentists may receive for meeting the conditions under this section and the DM&S Supplement thereto necessary to receive the specific incentive. Except for service chief or comparable positions and Chiefs of Staff, per annum incentive special pay may be based upon either responsibility level or upon individual components of incentive special pay but not on both. In addition, incentive special pay is prorated based on the proportion which part-time employment bears full-time employment.

Authority: 38 U.S.C. 210(c)(1), 4118

7. AGREEMENT

Special pay under 38 U.S.C. 4118 will be authorized upon acceptance and approval of an agreement under the provisions of this section and the DM&S Supplement thereto.

8. REFUND LIABILITY

In the event a physician or dentist voluntarily or because of misconduct fails to complete the first year of service under an agreement, the physician or dentist shall be required to refund the total amount of special pay received unless the Chief Medical Director determines that such failure is necessitated by circumstances beyond the control of the physician or dentist.

Authority: 38 U.S.C. 210(c)(1), 4118

Mr. BOLAND. Is the full bonus currently being paid to VA physicians?

Mr. WILSON. Most of it is not. It is more than the previous law allowed, but it is less than the current law allows.

Mr. BOLAND. Will you detail that for the record?

Mr. WILSON. Yes, sir, we will.

[The information follows:]

The following chart compares both full-time and part-time physician and dentist remuneration both before and after enactment of P.L. 96-330.

PHYSICIANS AND DENTISTS PAY
AS OF DECEMBER 31, 1980

	P.L. 94-123	P.L. 96-330**
Total Number VA Physicians	11,045	11,045
Full time	6,624	6,624
Part time	4,421	4,421
Total Number VA Dentists	936	936
Full time	899	899
Part time	37	37
Maximum Special Pay:		
Physicians	13,500	27,500
Dentists	6,750	12,500
PHYSICIANS:		
Average Base Pay		
Full time	$ 49,423	$ 49,423
Part time*	49,038	49,038
Average Special Pay***		
Full time	7,491	13,345
Part time*	4,819	6,111
Average Total Pay		
Full time	56,914	62,768
Part time*	53,857	55,149
DENTISTS:		
Average Base Pay		
Full time	46,056	46,056
Part time*	45,915	45,915
Average Special Pay***		
Full time	3,223	4,002
Part time*	2,527	3,500
Average Total Pay		
Full time	49,279	50,058
Part time*	48,442	49,415

*Figures reflect aggregation of all part-time employees to full-time equivalent salaries.

**Projected based on estimates of cost of legislation.

***Numbers are for physicians and dentists who are eligible and receiving special pay.

Mr. BOLAND. As I understand it, the Senate Veterans Affairs Committee supports the idea of trimming back the bonus pay. They believe that doctors are being singled out for special consideration while everyone else is being asked to take cuts. Is that a fair assumption?

Mr. WILSON. I would say they are not being singled out for special consideration, Mr. Chairman, in terms of a benefit. They are being asked to take a cut of $40 million.

PHYSICIAN PAY LEVELS

Mr. BOLAND. What is the average pay for a VA physician now?

Mr. WILSON. May I supply that for the record, sir?

Dr. CUSTIS. I believe I can answer that.

The current average bonus for a full-time physician is estimated to be $13,345, in contrast to the level prior to January 11 when the average was $7,491. Only the part-time physicians who are at least ⅝ part-time have any bonus income. Those less than ⅝ do not participate in the bonus. The over ⅝ participate on the same percentage basis at their part-time commitment. In other words, ⅞; ⅝.

The maximum bonus went up from $13,500 prior to January 11, to $22,500, with the exception of a small number—I think it is around 35 or 40, who, because of geographically remote locations, or economically difficult locations in which to attract people, have an additional bonus of up to $5,000, making it $27,500, but that last $3,000 to $5,000, as I say, only goes to something like 35 or 40 people.

Mr. BOLAND. Who receives the $22,500 bonus?

Dr. CUSTIS. $22,500 is the maximum bonus that can be paid.

Mr. BOLAND. For how many people?

Dr. CUSTIS. Approximately 63 percent of our part-time people, which is around 2,700, and most of the full-time people receive some bonus. The bonus is broken into two parts: primary pay and incentive pay, special pay, in contrast to base pay. The claim has been made that our total payout far exceeds that of the military physician. There are reasons for this I won't go into, but I will be glad to furnish something for the record. The most notable reason is we have a different type, an older, usually certified, often holding faculty appointments-type of physician in the Veterans Administration. Also, we do not count our house staff as VA employees, so that average is altogether different by reason of the definition of the type position involved.

The average increase in bonus realized by full-time physicians both eligible and receiving from 1975 on, and now, is $5,850. For part-time physicians the increase difference is $1,290. That is the average. Some, however, receive the full difference between $13,500 and $22,500.

Mr. BOLAND. Those who receive $22,500 in bonus pay are making close to $75,000 a year.

Dr. CUSTIS. If they are getting the full $22,500.

Mr. BOLAND. Can you pay the bonus every year?

Dr. CUSTIS. The contracts are written for up to a four year period.

Mr. BOLAND. Are you having any trouble getting physicians?

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Dr. CUSTIS. We were. We were having increasing difficulty in recruitment and retention. That is what justified, in the eyes of Congress, a need for further legislation.

SURPLUS NUMBER OF PHYSICIANS

Mr. BOLAND. As I understand it, after having spent four years and $4 million, the Graduate Medical Education National Advisory Committee (GMENAC) presented its final report to the Secretary of the Department of Health and Human Services on September 30, 1980. At the heart of the report is the projection that there will be 70,000 excess physicians in 1990, 145,000 excess physicians in 2000, and surpluses of physicians in 18 medical specialties.

I presume you are aware of that report?

Dr. CUSTIS. Yes, sir.

Mr. BOLAND. Do you agree with those projections?

Dr. CUSTIS. That is a very controversial report, Mr. Chairman; organized medicine does not agree with it. The MMAC does not agree with the recommendations coming out of it.

Mr. BOLAND. If those projections are correct, would you say it would be easier for the VA or any governmental health institution to recruit physicians?

Dr. CUSTIS. Undoubtedly.

Mr. BOLAND. How many physicians are employed in the VA hospital system who were trained in non-U.S. medical schools?

Dr. CUSTIS. Approximately one-third of all our physicians are foreign-trained. However, that is also true of the private sector.

Mr. BOLAND. Isn't that one of the report's recommendations, that severe restrictions be placed on the entry of physicians trained in non-U.S. medical schools?

Dr. CUSTIS. Yes, sir.

Mr. BOLAND. What is your opinion on that particular recommendation?

Dr. CUSTIS. I agree with that particular recommendation.

Mr. BOLAND. Who would like to ask some questions?

GAO REPORT, VA CONTROLS OVER DRUGS

Mr. GREEN. In the GAO report entitled "Reassessment of Veterans Administration Controls Over Drugs: Million-Dollar Problem Still Exists;" there were recommendations made on inventory security control for drugs. As I understand it, the VA concurred with the recommendations that compliance checks be conducted at the medical center level but disagreed that the Central Office Pharmacy Service be required to conduct the checks. Who, if anyone, is conducting them?

Dr. CUSTIS. All of our hospitals have pharmacy surveillance committees. It is their primary responsibility, answering to the hospital director. Also, since the GAO report, there has been a re-write of guidelines from the Central Office on control.

TRAVEL REDUCTIONS

Mr. GREEN. Going through the budget—again, I have to confess that it was primarily the earlier draft that we have, but to some degree it also applies to the revised version, there do not seem to

be significant cuts in the travel budget except what has been discussed earlier.

Mr. WILSON. I might comment on that, Mr. Green. There is a ten percent proposal from the Office of Management and Budget. We are to reduce travel by ten percent through all of our travel accounts, and we are in the process of doing that. That is reflected in the 1982 budget.

Mr. HOFFMAN. In 1981, we had initially $120 million for travel. We are reducing that by approximately $12 million. That is about a 10 percent cut.

WITHIN GRADE INCREASES

Mr. GREEN. As I look through the analysis of your personnel costs, there seems to be an assumption that within-grade increases always lead to ever-higher personnel costs. I am a little puzzled why, in an institution with relatively stable levels of employment, that shouldn't wash out, so that as you have some people moving up, you are taking in other people at the bottom of the grade levels.

Mr. WILSON. My memory is that it balances to some degree, but with people brought in at the trainee level who then come to the journeyman level, they are qualifiers for in-grade raises and there are ten steps in the in-grade situation, and each time that happens, it costs money. That is offset somewhat by turnover. They don't catch up with each other. The turnover does not catch up to the price of the in-grade raises.

INFORMATION SERVICES FIELD OFFICES

Mr. GREEN. In terms of your Office of Information Services, I know that you have 13 field offices. Would it not allow you to coordinate better with other Federal agencies if you had the standard ten-region setup?

Mr. WILSON. No, sir, not really. Our 13 locations are in media centers, for the most part. They are located where they are because of the locations of our hospitals and regional offices. We have a concentration of hospitals in Los Angeles. We have a concentration of hospitals in Chicago, one in New York, one in the New England area. We try to place our area information people out there where the action is. We don't necessarily coincide with the ten Federal regions.

Mr. GREEN. In the locations you have mentioned, only one is not in a city.

Mr. WILSON. We are located in Chicago, Boston, New York, Los Angeles, San Francisco, Seattle. We are fairly close to them.

Mr. GREEN. That is all I have, Mr. Chairman.

DRUGS, VIOLENCE AND OTHER PROBLEMS AT VA FACILITIES

Mr. BOLAND. Mr. Stokes?

Mr. STOKES. Thank you, Mr. Chairman.

One of my concerns has been a problem we were having at the Veterans Administration in Cleveland. My office constantly received a large number of complaints about physical violence between employees, an enormous drug problem, mistreatment of pa-

tients, and things of that nature. It finally got so bad I had to go out to the VA facility there and actually conduct hearings to give the people an opportunity to testify publicly on these matters. I am just wondering how widespread this kind of situation is throughout our VA facilities, throughout the country.

Mr. WILSON. Mr. Chairman, before Dr. Custis comments, I would like to say, Mr. Stokes, the situation in Cleveland has, as of now, been the subject of an investigation, but the investigation has not been completed. The report has not been written. The U.S. Attorney is involved in this. We would like to demur with respect to commenting on that particular situation because it is so volatile. I would like for Dr. Custis to comment generally on the problem.

Dr. CUSTIS. I think you can answer that question by dividing our facilities into the predominantly psychiatric and the non-psychiatric hospitals. I think we have the usual problems in disciplinary matters in psychiatric hospitals as is seen throughout the country in similar institutions.

Today we do not—in psychiatric hospitals in general—employ the restrictive measures that were known a couple of decades ago. These patients are permitted much more freedom, and I think the price that is paid for that is a certain amount of societal disruption. I do not believe that we experience any greater amount of turbulence and disciplinary problems in our hospitals than our counterparts in the private sector do.

There have been episodes that have happened in certain hospitals that are traceable to some forces that aggravate this situation. We have examples in several hospitals in the last couple of years.

Mr. WILSON. I did want to comment with respect to Cleveland, getting away from the investigation aspect of it. There were press stories out there that a great crimewave had taken place primarily as a result of actions of outpatients as part of our hospitals on the outskirts of Cleveland. The fact of the matter is, none of those patients who were so accused were outpatients who came to the hospital to get treatment and had left. At the time the crimes were committed, they were not patients, but had to be outpatients. The press stories were unfortunate. I don't think the matter was handled as well as it could have been handled, but I think the doctors would tell you our hospitals in Cleveland are providing good quality medical care.

DIRECTOR ROTATION PROBLEMS

Mr. STOKES. Part of the problem there appears to be the manner in which administrators are not kept at a facility long enough really to develop a program or to be able to solve problems.

The hearings I conducted indicate many of the problems with which the current administrator was being charged had occurred under the tenure of the regional administrator who had formerly been the Administrator at that particular facility.

It really seemed quite unfair, frankly, to the current administrator to have him charged with trying to solve problems created under a former administrator.

Mr. WILSON. I would also want to add some of the charges made against the former administrator were also not true. Those same

false charges, in part at least, were attributed to the current administrator or current director, as we call him.

Mr. STOKES. The problem they specified to me was that they are not left there long enough to be able to try to solve these kinds of problems; that they are moved around rather frequently within three-year periods, for instance. Is that a fact?

Mr. WILSON. You have put your finger on a very big problem we have had, Mr. Stokes. We have had a widespread turnover in hospital and regional office directors during the last few years, because of retirement incentives, and that kind of thing. We established six Regional Medical Offices in our Central Office, and we tried to get six good people in there. We finally did get these six good people into our Central Office. These retirements cause transfers. We have an assistant director training program from which we get new directors. I cannot dispute what you say; there has been a rather rapid turnover of our top echelon people.

Mr. STOKES. I would like to say for the record that I have had good cooperation from both of the administrators I have made reference to in solving the problem since I went out there and actually conducted hearings. However, the basic problem was that an inordinate amount of time of the employees in my Congressional Office was being expended on solving Veterans Administration problems that should have been solved by those who have the primary responsibility out in that facility.

We have worked out most of the basic problems by solving them on a case-by-case basis, and I have had good cooperation. However, that is not my responsibility as a Congressman to solve problems out at a Veterans Administration facility. That is why I was concerned as to whether or not this kind of situation is occurring in other Congressional Districts throughout the system.

MEDICAL CARE BUDGET REDUCTION IMPACTS

Let me move on, if I may, into another area.

Your revised fiscal year 1982 Medical Care budget request reflects a decrease of $154,362,000 in hospital care benefits and $142,950,000 in outpatient service below President Carter's request submitted in January.

Exactly what benefits would be affected by these cuts and can you tell us precisely what these cuts are going to do in these areas?

Dr. CUSTIS. A reduction in outpatient visits is directly related to a reduction in resources. It accounts for some 1,774 of the 5,181 FTEE reductions.

The impact is in part in adjusting in particular to the reduction in the FTEE. We haven't had enough time really to know how we are going to handle it. Some of this allocation of reductions at this time is purely a "paper commitment". The breakdown is as follows:

The reduction of non-service-connected outpatient visits is a reduction in the workload that will result in inability of the lower priority non-service-connected patients being able to gain access to the system. That, along with the cancellation of the psychological readjustment counseling program, accounts for $106 million of the $330 million revision. The two together account for a 2,320 reduction in employment below the January request.

We are going to absorb, and therefore the previously allowed money will not be available to handle the World War I outpatient medical visits authorized in last year's legislation. There will be a cut in community nursing home census that will account for $18.8 million.

The closure of 60 hospital wards, and combining of the census from those wards, amounts to $27 million, and 1,116 FTEE.

We are looking to our staffs to increase their productivity to a point that would account for a $25.4 million savings.

By pushing back or in most cases it is not pushing back, but it is coincidentally a slippage of new activations, we are realizing $18.5 million, and 203 FTEE. And so it goes on. There is a reduction in expected purchase of equipment, for example, a travel reduction, other miscellaneous reductions, all of these items account for the total of $330 million and the 5,181 lost FTEE.

We can only tentatively describe the impact to you, but there will be a decrease—of necessity there must be a decrease—in our workload.

Mr. STOKES. I don't understand how you effectuate an increase in productivity through this kind of a savings. What is the rationale for that?

Dr. CUSTIS. I am not sure I can answer that question.

Mr. STOKES. I didn't think you could.

Dr. CUSTIS. We just tell our people "when the going gets tough, the tough get going", and the going is rather tough.

REGIONALIZATION OF CLAIMS PROCESSING

Mr. STOKES. I have heard that expression used before. I am not sure I have seen it put into effect.

You predict in your budget request a saving of 1,673 work-years through the consolidation of claims processing and loan guarantee activities in the Department of Veterans Benefits. Can you tell us how that much of a savings was possible and tell us whether some activities previously performed would be eliminated?

Ms. STARBUCK. That would be in my department, Mr. Stokes. This is a part of an overall reduction of 1,800 full-time equivalent positions in the Department of Veterans Benefits. The reference to centralization of claims activities implies that we would in one or more locations locate personnel and records now involved in the adjudication of compensation, pension, education, and other miscellaneous benefits, as well as our approval for loan guarantees.

Taking these activities, and a certain number of personnel from a regional office, I have to say at this point that this reduction applies to fiscal year 1982. There is no way within the human capabilities of this department and all other agencies who might be concerned in this, to set up a centralized location into which we could make a move this year.

So while centralization may be the bottom line in these reductions, we are now looking at every conceivable alternative to any consolidation or centralization in this fiscal year. That leaves us, nevertheless, with the necessity for reducing our employment for the balance of fiscal year 1981, so that we come as close as possible to that 1982 FTEE figure, because the longer we delay into 1982 in making reductions, the more individual people would be affected.

The effect that centralization would have on a regional office—and you would be interested, of course, in Cleveland—and what I am saying to you is not in concrete by any stretch of the imagination at this point, because the staff is still working on a variety of proposals. It would mean that we would remove from a regional office the adjudication division, and all of the claims files. We would move most of the loan guaranty division, we would move some support persons from administrative and finance activities, and we would move some personnel from the Veterans Assistance Division.

What would be left behind I can't say at this time, but what we are moving toward is the conversion of regional offices into basically a sub-office to a centralized location.

IMPACT OF REGIONALIZATION ON VETERANS SERVICES

Mr. STOKES. I appreciate your response. I guess that brings me, then, to my bottom-line type of questioning.

In my Congressional Office, for instance, I have two full-time employees who work on nothing but Veterans Administration-related case matters. In addition, I maintain on a part-time basis a man who handles military affairs related to the Veterans Administration. An inordinate amount of our time is being consumed on Veterans Administration affairs. This is primarily because the constituent can't get things done dealing with the VA himself; so he has to come to a Congressional Office, where we try to expedite his claims.

How, then, does this affect that kind of an operation in our Congressional Offices? Do we find, then, a further deterioration of services for the veteran, who is the one we all ought to be concerned about?

Ms. STARBUCK. It would not be our intent or even our plan, Congressman Stokes, to have a deterioration in service. Now, we cannot accomplish such a thing as centralization without a period of time in which service would deteriorate. When people are offered a job in another city and elect not to go, their incentive to work drops; people opting to make the move are concerned with the situation with respect to their families, their homes, relocation, all of these things that are attendant upon a move.

It would elongate the lines of communication between your Congressional delegations, and this would be true for every Congressman and Senator who would be located, or representing, a constituency outside the city in which a centralized office would be located.

There would remain in our regional offices access to our target central files which generally provides response. But if the claim is pending, it would not be pending in the Cleveland Regional Office; but at the designated processing center, wherever we have designated. I would hope that in such a centralized location, if we can staff it adequately, there would be, after a settling-in period, no disruption of service to veterans.

Mr. STOKES. Thank you very much.

Thank you, Mr. Chairman.

PRESCRIPTION POLICY FOR DRUGS

Mr. COUGHLIN. The Veterans Administration has had a fairly liberal prescription policy in some of its hospital situations in which drugs such as valium and librium are mailed out in considerable quantities and often appear on the streets. Are you aware of any growth in that problem? Are you aware of any reduction in that problem?

Dr. CUSTIS. Mr. Coughlin, I have been with the VA for five years now, and in the position of participating in testimony for three, and this same subject has come up year after year after year. We are very much aware of this problem. We are in receipt of extensive reports from GAO as to our pharmacies and our drug loss. We have addressed this problem over a period of time, and we have satisfied ourselves, and I think the Congress and the committees, that the answer is in implementation of single unit dose and in automation of our pharmacies.

UNIT DOSE PHARMACY OPERATION

We have made some headway on inpatient control of drugs through single-unit dose, and there are some resources in the 1982 budget to bring some more of our pharmacies under single-unit dose. We have been less fortunate in acquiring the resources for automation. That particular program is entitled "Apples."

The first automated pharmacy was brought into the VA in 1969, and here we are 11 years later struggling to expand it. To be absolutely candid, at this point I feel very discouraged. It is the answer, for example, to elimination of duplicate prescriptions which we know occur as often as 20 percent of all of our prescriptions. Duplication occurs when a patient goes to two or more pharmacies with the same prescription.

We know from GAO reports and from our Inspector General surveys that our drug loss is somewhere between $19 and $30 million a year. We know if we could only progress with the single-unit dose and the automation that it would pay for itself simply in the saving of this loss. I am editorializing rather than answering your question. To answer your question, we are painfully aware of this problem.

Mr. COUGHLIN. Do you still mail out drugs?

Dr. CUSTIS. We do not mail controlled drugs. We do not mail narcotics.

Mr. COUGHLIN. You do mail valium and librium and drugs such as that?

Dr. CUSTIS. I would have to come back with the answer on valium and librium.

I am remiss in failing to say something about this Committee's input to our ADP effort. We have received a tremendous amount of help and guidance just in this last year from this Committee and the staff of this Committee. We need all the help we can get, and we are particularly grateful to this Committee in what may turn out to be a new approach rather than the guidance in which we have been under, namely, the creation of a large monolithic integrated system.

It is the recommendation of this Committee that we buy off-the-shelf ADP systems that can be site-tested in certain of our hospitals and evaluated from the standpoint of their transferability to other hospitals.

DUPLICATION OF MEDICAL PAYMENTS—VA–HHS

Mr. COUGHLIN. On another subject, last year you were asked what steps had been taken to coordinate the processing of your activities with the Department of Health and Human Services to prevent duplication in payment. How are things progressing in that area?

Dr. CUSTIS. I know there has been communication between our Central Office staff and HHS. There are still meetings going on. I believe there has been nothing implemented regarding such doublechecks.

Mr. COUGHLIN. Thank you, Mr. Chairman.

RECRUITMENT AND ADVANCEMENT OF WOMEN

Mrs. BOGGS. Last year, I asked a number of questions or submitted them to be answered, on the recruitment and advancement of women. The responses would indicate that the Veterans Administration has made a significant effort in this regard. I compliment you on that, and I express the hope that the pattern will continue.

For the record, would you be so kind as to update those responses for this year?

Mr. WILSON. Yes, we will.

Mrs. BOGGS. On pages 142 and 143 of the hearings last year, there is indication of some very outstanding appointments and promotions. I am really quite pleased about it.

Mr. WILSON. Thank you, Mrs. Boggs. We will be very pleased to update the record.

[The information follows:]

EMPLOYMENT OPPORTUNITIES FOR WOMEN

Question: What have you done to improve women's employment and advancement at the Veterans Administration?

Answer: Some of our accomplishments in improving employment and advancement opportunities for women in the VA were:

- During the calendar year 1980, 684 women moved into higher level positions as a result of our Upward Mobility Program. Of course other women (19,238) were promoted under regular promotion procedure.
- As of December 31, 1980, total employment of women in the Veterans Administration was 122,867 or 52.6 percent of the work force. The total part-time employment was 30,255 of which 13,405 or 44.3 percent were women.
- Women were promoted to a number of positions previously held exclusively by men which offered them advancement in line with their abilities.

  Examples
  - Chief, Building Management Service
  - Supply Officers
  - Bio Medical Engineer
  - Electronic Engineer
  - Engineering Draftsman
  - Medical Machine Technician
  - Chaplain
  - Canteen Officer
  - Police Officer
  - Barber
- Efforts were intensified for the recruitment and/or placement of women in administrative positions GS-5 and equivalent and above categories during the calendar year.
- A woman was promoted to a new position of Deputy Assistant Chief Medical Director for Nursing Programs. Prior to the appointment, she was Director of VA's Nursing Service which employs nearly 60,000. The Chief Medical Director said the appointment, placing Nursing Service on a par with other major

professional services, "reflects the growing complexity and professionalism of the nursing role in providing integrated health care."

Question: Why do you show such a significant drop in representation of women above the GS-9 level?

Answer: According to our latest data, there has been an increase in the representation of women at the GS-9 and above levels since 1979. Of the total increase of 2,537 in VA employment, 2,090 were women. In the past 18 months the number of female VA employees in grades GS-9/15 has increased by nearly 4000. More than one-half of all VA positions in these higher grades are now filled by women.

Question: We know that many women in clerical positions hold college degrees. What have you done to assure that you are fully utilizing your personnel? Have you conducted a skills survey?

Answer: In our efforts to ensure the full utilization of our personnel, we encourage top management through Affirmative Action planning to provide training opportunities to those women currently in clerical positions who have the ability to move into professional fields such as personnel management specialist, building management, computer science, and supply and health technicians -- to name a few. In the past, skill surveys have been conducted at VA field installations as part of their Affirmative Action Plans particularly in relation to Upward Mobility Programs.

Question: Did you achieve your affirmative action goals for women last year?

Answer: During FY 1980, VA installations established specific hiring goals for women in selected occupations in accordance with the Equal Employment Opportunity Commission's Management Directive 702, dated December 11, 1979. Overall progress has been made in meeting established goals. With the implementation of the Federal Equal Opportunity Recruitment Program greater opportunities will be available to alleviate the underrepresentation of women throughout the VA and achieve established goals.

Question: What are you doing to assure that your supervisors and managers recognize and are held accountable for their responsibilities to FWP?

- Training is provided to managers and supervisors throughout the Agency to insure management understanding and support of the goals and objectives of the Federal Women's Program. This training is conducted by the Office of Human Goals on a regional basis as well as local training arranged by the EEO offices at

field stations. Managers are responsible for establishing affirmative action goals, timetables, and recruitment strategies to meet goals designed to eliminate the underrepresentation of women in all occupational categories in the VA.

Performance appraisals must include a critical element for EEO performance under the category of Resource Management. For satisfactory performance 80% of established affirmative action goals must be met.

Question: What is the median grade level for women in your agency? For men? How does this compare with the government as a whole?

Answer: The median grade level for men employees in the VA was GS-8 and for women GS-6. The government-wide median grade level was GS-11 for men and GS-5 for women.

Question: How are you implementing the Office of Personnel Management's policy statement on sexual harassment?

Answer: On April 9, 1980, a statement was issued transmitting and subscribing to the definition of and policy on sexual harassment released by the Office of Personnel Management.

We are currently in the process of developing guidelines implementing VA's policy statement on sexual harassment.

Mrs. BOGGS. In reply to my question last year concerning the Executive Order 12138, calling for increased contracting with women-owned businesses, you indicated that a goal of $1.8 million had been established for fiscal year 1980. Did you meet that goal?

Mr. WILSON. May I ask Mr. Clyde Cook, our Assistant Administrator for Supply Services, to do that?

Mr. COOK. We came to nearly $10 million.

Mrs. BOGGS. Thank you very much.

What are your plans for 1981 and 1982?

Mr. COOK. We do expect that we will meet or exceed our goal.

Mrs. BOGGS. Thank you very much, Mr. Chairman.

FLORIDA REGIONAL CEMETERY

Mr. YOUNG. We talked earlier this morning about some other programs, and one you mentioned was cemeteries.

Could you give me a brief status report on the proposed cemetery for Florida?

Mr. WILSON. Yes, sir. We have been doing studies down there to determine where possible sites might be. I would like to have Mr. Vince Corrado give you a further statement on that.

Mr. CORRADO. Some weeks ago, we had a group of people down in Florida looking over the proposed areas down there—areas of land that the State of Florida would be willing to donate to us for the purpose of establishing a cemetery.

The land was found to be suitable for cemetery purposes. We followed up that initial visit with another visit by environmental planners who went down there for the sole purpose of scoping a proposed environmental impact statement that has to be made before any further action can be taken. We are now in the process of hiring a consultant who will prepare the environmental impact statement, and we expect this will get off the ground somewhere around June of this year.

Now, we can do nothing further until that statement has been completed. Once that is completed, a site selection can be made.

When the site selection has been made, then we go into the process of developing the master plan for the area, which will take somewhere around nine months to a year, and assuming there are no problems that emanate from that particular study, then it is a matter of developing working drawings and ultimately going into a construction contract for the development of the cemetery.

Mr. WILSON. I might tell you, Congressman Young, there is no money in the 1982 budget for this purpose. We would not need it in 1982.

Mr. YOUNG. So, a budget reduction would have no effect on that project?

Mr. WILSON. That is correct.

Mr. YOUNG. In our hearings last year, I was talking to Mr. Cook, of the Department of Medicine and Surgery Supply Service about the use of ineffective drugs, drugs that were outdated, drugs that were for some reason not as good as a new or fresh drug would be.

He said that the VA had been addressing the problem and that, in effect, such drugs would no longer be procured with VA funds or dispensed through the Veterans Administration. Where do we stand today on this problem?

Mr. COOK. That is true. We have re-verified that we do not purchase drugs that have a final classification of ineffectiveness by the Food and Drug Administration, which is the agency making the determination. We do not buy them.

Mr. YOUNG. So that the problem that was evident sometime ago is gone?

Mr. COOK. Part of that, Mr. Congressman, was a misunderstanding. Some of those drugs had been tentatively classified as ineffective, pending determination. Some were later reclassified as effective.

TRANSIENT VETERAN POPULATION

Mr. YOUNG. The veterans population is oftentimes very transient, especially in the winter, moving into Sunbelt-type States. Is the VA budget developed after taking into consideration the fact that a VA medical center in a Sunbelt State would be providing services for veterans who actually live in a northern State, but who come to the southern State for the winter? Is there an adjustment in the budget for that type of movement?

Mr. WILSON. To some degree. The budget for a particular outpatient would be predicated on workload predictions which would take into account people who come to St. Petersburg in the wintertime from a northern State. There is an attempt to correlate that increased workload with the budget items and with the personnel associated with the budget. It is a very difficult thing to do, but we attempt it.

Mr. YOUNG. I am sure of that. I know when people are on the move, it is hard to keep track of them.

I raise the question again, not only from the standpoint of a regular operating budget, but particularly for a year when there may be a substantial reduction in the budget. I wanted to make sure those types of things were taken into account when deciding where to reduce personnel and services, and where not to.

Mr. WILSON. I might say, Congressman Young, your office has made telephone calls within the last few days on that very same subject, and we are going to do the best we can to allocate our forces fairly across the country, taking into account those kinds of variances.

Mr. YOUNG. I appreciate that. I knew what your answer was. I just wanted to get it on the record.

Mr. WILSON. I knew what your question was going to be.

Mr. YOUNG. I would not want any VA center reduced to the point where it could not take care of the veterans population, no matter where it is in the Country. These are real problems that have to be addressed.

RECRUITMENT OF MEDICAL PERSONNEL

Mr. SABO. I am curious generally about what is happening in terms of your ability to recruit medical personnel and particularly nurses. I have had conversations with people in the private, nonprofit area who are having a terrible time. Are you having the same problem?

Dr. CUSTIS. We are having difficulty with nurse recruitment and retention, especially in particular locations. The bonus bill addressed this problem and provided for the Administrator to have flexibility in adjusting wage scales in order to better compete with the private sector in given locales.

You have probably seen in local newspapers advertisements from Washington hospitals who are offering a week's pay for a weekend of work. Other parts of the country are offering automobiles, tuition for family—family to include husband, children, mothers, stepmother. It is a vicious situation, and particularly in California. We are feeling it. We also have under contract a recruiting firm that is going to help us along these lines with an advertising campaign in the Central Register.

In all of our different health professionals, recruiting nurses right now is the most critical problem we have. That is also true in the private sector. It is estimated that the country needs at least 100,000 more nurses, incidentally, at a time when 300,000 nurses are not practicing their profession.

Mr. SABO. As I understand it, it is not the number of nurses, but the number of nurses willing to work at nursing.

What I am told is that although salaries is one of the problems, the fundamental problem is other than salaries.

Dr. CUSTIS. We are addressing the "other than salary" problem. We have a task force studying this. Also, the American Hospital Association, with their task force, is traveling around the country gathering data. Our chief nurse is on that task force.

Mr. SABO. I am told it is work hours and the relationship between doctors and nurses, that professional relationship, that is as big a problem.

Dr. CUSTIS. We don't intend to let that get out of control.

Mr. SABO. It would seem to me the VA is a sufficiently large system; that there might be some greater capacity than there is for individual hospitals to do some experimenting trying to deal with that problem. That it could be useful to the balance of the health care system.

Dr. CUSTIS. I can only assure you we are very much aware of this, and we are very much involved in all aspects of this.

Mr. SABO. Thank you, Mr. Chairman.

RECONCILIATION ACT OF 1980

Mr. BOLAND. On December 5, 1980, the President signed the Omnibus Reconciliation Act of 1980, Public Law 96-499. Title VII of that Act pertains to Veterans programs. The Conference Report (H.R. 96-1479) indicated that actions taken by the Veterans Affairs Committee would save $487 million in budget authority and $493 million in outlays in fiscal year 1981.

Now, I presume those savings are materializing. Are we going to get those savings?

Mr. WILSON. The figures, hopefully, are close, Mr. Chairman.

Mr. BOLAND. How close? Supply it for the record.

[CLERK'S NOTE.—Subsequent to the hearing, the VA informed the Committee that the requested information will be supplied to the Committee when it becomes available later in the fiscal year.]

INABILITY TO DEFRAY SAVINGS

Mr. BOLAND. Will section 401 of Public Law 96-330, dealing with the limitation on presumption of inability to defray medical expenses, save $109 million in 1981 as projected?

Dr. CUSTIS. We will not realize that amount of savings simply because we have yet to implement the program. I think the General Counsel can throw some light on this.

Mr. BOLAND. Will you reduce the supplemental request by about $109 million if you implement the program? I thought you were going to agree with us, and that is why I asked the question. Apparently we have been laboring under the assumption that you are going to save $109 million.

Mr. Coy, how are you involved in this?

Mr. COY. They asked the General Counsel to look at it. We are, in fact, working with them to draft regulations to implement the law. That is where we get into the thing. There will be some difficulty in trying to achieve that kind of savings.

Mr. WILSON. The reason I questioned the $109 million is because we are into the year by about five months already. I am not sure $109 million was predicted for a total year or not.

Mr. BOLAND. When was that law passed? This was September of last year. You have had a long time to implement the program. Mr. Coy, you are fairly new here, aren't you?

Mr. COY. I have only been here since 1962. I used to sit on the back row over there where I could hide.

Mr. BOLAND. That won't happen any longer. Are you safe now, or don't you know?

Mr. COY. I don't know.

Mr. BOLAND. I hate to ask, but does anyone have any idea who the new Administrator is going to be?

Apparently not.

EDUCATION OVERPAYMENTS

Let's talk a minute about educational overpayments. As I understand it, the outstanding balance of overpayments at the beginning of fiscal year 1980 was $418,618,000. Is that correct?

Mr. WILSON. I think that is correct.

Mr. BOLAND. What was the total amount of overpayments established in 1980, at the end of the fiscal year? Also, please indicate how much in overpayments was collected in 1980.

Ms. STARBUCK. In fiscal 1980, we collected by cash collections and offsets against continuing benefits receipts, $276,045,000. Overpayments of $286,900,000 were established in 1980.

Mr. BOLAND. What was the outstanding balance of overpayments at the end of 1980?

Ms. STARBUCK. $420,683,000.

Mr. BOLAND. How much of the amount collected in 1980 came mostly from overpayments recently established?

Ms. STARBUCK. Our record on that is about 46 percent, Mr. Chairman.

Mr. BOLAND. Is there any validity to the GAO contention that VA's method of accounting for overpayments needs to be adjusted? Are you familiar with the GAO report?

Ms. STARBUCK. I am not familiar with that particular thing, but we are accounting for every overpayment that we have. We know precisely what we have and where it is in the system.

Mr. BOLAND. We will let you look at the GAO report, and address that once again when we address Veterans Benefits tomorrow morning.

SOURCE OF OVERPAYMENT

Mr. COUGHLIN. What is the source of these overpayments? It is a staggering figure.

Mr. WILSON. Primarily it is G.I. bill overpayments, people who interrupt their training and we do not get notification. Sometimes if things work perfectly, there is still an overpayment because of the time of the month the check goes out. There are people who interrupt for a considerable period of time without notification to the VA.

Sometimes we also make mistakes that cause the overpayment. The system of payments causes overpayments, themselves. Sometimes those kinds of overpayments are immediately recouped the following month. For example, a person going to school full-time cuts to three quarters' time and gets a lesser amount of money in terms of entitlement and yet a check goes out to him giving him the full entitlement because we didn't get to process the paperwork in time. There is an automatic overpayment there of X-amount of dollars. That is recouped the following month.

Mr. BOLAND. This Committee actually put a stop on prepayments, too.

Ms. STARBUCK. And we thank you for that, Mr. Chairman.

Mr. WILSON. We had a system for a long time where we paid people in advance.

DEBT COLLECTION PROGRAM

Mr. BOLAND. Last year, Congress provided additional resources for your debt collection program. Have those resources been made available to you?

Ms. STARBUCK. Not entirely.

Mr. BOLAND. Have you hired anybody?

Ms. STARBUCK. Yes, sir, we have.

Mr. BOLAND. How many have you hired?

Ms. STARBUCK. May I insert my hiring situation in the record? I think the General Counsel has most of his people on. I would not speak to the Office of Data Management or the Controller.

[The information follows:]

DEBT COLLECTION

The Department of Veterans Benefits received 52 of the 120 allotted to the agency. Of these, we have 40 aboard with a commitment for 1 more. We are interviewing potential candidates for all the remaining positions.

Mr. BOLAND. How about the others?

Mr. COY. In fiscal year 1980 we put on 30 people, and the program really started in the last half of the year. In 1981, an additional 54 slots were authorized. The problem is we got into the two-for-one hiring freeze, and never received an exemption from that

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freeze until the 19th of January, then on the 20th of January we had another freeze, so we have been slow. We now have about half of the 54 slots onboard.

Ms. STARBUCK. There is a problem here with this, Mr. Chairman, of which the Committee needs to be aware. The exemption has been granted for us to hire these people, but we must hire them within the ceilings that have been given to us, so this has the effect of locking in specific positions in the Department, the Controller's office, the General Counsel, for this purpose.

Mr. GREEN. Is this program the reason for the upturn in other legal actions?

Mr. COY. The basic workload increase is 17 percent. We have undertaken a new job, which is debt collection, but we are also working on a lot of additional activities.

STAFFING FOR DEBT COLLECTION

Mr. HOFFMAN. To be sure the record is straight, the 1981 budget has a total of 179 full-time equivalent employment and $4.6 million for this effort. In 1982, we will be adding, for the three offices identified, an additional 139 full-time equivalent employment and $3.6 million, or we will have a total onboard strength of 318 work-years for this effort.

Mr. BOLAND. As I understand it, you will not issue a home loan guaranty until an overpayment problem is corrected. Is that so?

Ms. STARBUCK. That is correct, sir.

CORRECTION OF OVERPAYMENT

Mr. BOLAND. How many times has a person agreed to repay an overpayment, got the loan guaranty and then not paid back the educational overpayment?

Ms. STARBUCK. We are right now taking a sampling on that, and I would like to provide something for the record on that.

[The information follows:]

LOAN GUARANTY/EDUCATION OVERPAYMENT

We have no way of tracking the status of repayment accounts established as a result of applications for loan guaranty benefits as opposed to those routinely established. However, these accounts are under computer control and follow-up action is taken at prescribed intervals when any account becomes delinquent. Failure of the debtor to maintain a repay plan in a current status will subject him/her to referral to a U.S. Attorney or District Counsel for enforced collection. As of the end of February 1981, there were approximately 81,000 education accounts in CARS under a repay plan. During the same period, CARS processed nearly 70,000 payments. It is estimated that 50,000 of these were payments on repay agreements.

Mr. BOLAND. What happens when a veteran refuses to refund an overpayment?

Ms. STARBUCK. His case would be referred to the District Counsel for prosecution.

Mr. BOLAND. You have no idea whether the courts can handle the number of cases. Just how many cases will go to court?

Mr. COY. A small percentage, less than ten percent. Just last year, for example, we had about 870 in courts. We use both Federal and State courts. We are just beginning. It is difficult to say how many cases will go to court.

Mr. BOLAND. It is obvious that the collection of overpayments is not an easy task.

EDUCATION CERTIFICATION PROGRAM

What about the certification procedure that VA used until the early 1970's? Are you familiar with that?

Mr. WILSON. Yes, I am.

Mr. BOLAND. Explain what it was and whether or not that would be a better alternative to these overpayments.

Mr. WILSON. To answer your last question first, we think it would not be a good alternative. That was a program that took an awful lot of time, an awful lot of effort, and I don't think it had very much success. The veteran, himself, would certify his attendance, and then the card would have to be countersigned by the school, certifying his attendance, and we would pay benefits based upon that.

Invariably if the veteran didn't get a check because we had not received a certification from him, he would say, "I sent it in; it must be lost in the mail." He would then go back and fill out the paper, get the school to certify, and we would send a check. No money was saved by that certification process, at least in our opinion. It would take some 500 employees or more to implement that program again in 58 Regional Offices.

Mr. BOLAND. Would legislation be required to implement the program?

Mr. WILSON. No, sir. A person intending to cheat you will cheat you, anyway, and would have no hesitancy in sending a certification that was false.

Years ago, when we had that program, we did see a very, very significant number of Congressional inquiries every month from people who would go to the local Congressional office because they did not get their checks.

Mr. BOLAND. Are there any general questions?

STATE APPROVAL AGENCIES

Mr. YOUNG. Under the current Federal law, the Federal Government contracts with individual States to approve post-secondary courses for VA educational benefits. Is this not something the VA could do in-house rather than farming it out to the States, and if so, would it save any money for the VA?

Ms. STARBUCK. In two of our offices, Congressman, we are doing it, but it cannot be done without some manpower being applied to it. We could not assume from the States the approval process without additional manpower, or the diversion from other activities of manpower in the Regional Office.

The amount of money being made available to us for contracting with State Approval Agencies, however, is being so seriously cut that we are having to take a very serious look at the relationships we have with State Approval Agencies and how we will be able to function with them, particularly in 1982. I think we are on safe ground for the balance of 1981, but in 1982 I see a problem down the road.

Mr. YOUNG. Will you explain briefly what that problem you see down the road is?

Ms. STARBUCK. Money, sir. What happens is that a contract is developed between the Veterans Administration and the State government. This provides a payment to the State for both educational professionals and support clerical staff. These people who review courses offered by both institutions of higher learning, and on-the-job training and vocational or technical schools and determine whether the courses offered meet the requirements of the State education department and Title 38. If the State approves the courses, they make reference of that approval to the Veterans Administration. We check the recommendation to insure that it meets the VA course approval regulations. If we did not have a contract with the State, and a technical school wanted to offer an additional course, it would then become necessary for the VA to meet with school officials and review the concept of that course, in order to determine whether the course and its objectives meet the requirements of the law governing the payment of educational benefits.

The State Approval Agency has one quality that is over-and-above our authority, and that is to make a judgment for the State department of education on the quality of the course being proposed for approval by the VA.

COST OF SAA PAYMENTS

Mr. YOUNG. What is the cost of that program?

Ms. STARBUCK. In fiscal year 1982, we will have about $8.1 million out in the various States, and this is a reduction of about 50 percent from what it was in fiscal year 1980.

Mr. YOUNG. If it is a reduction of 50 percent, is the job still being done?

Ms. STARBUCK. It is still being done, sir, but it is being done with less people in the State Approval Agencies.

Mr. YOUNG. But if the job is being done for half the price, that is good news, isn't it?

Ms. STARBUCK. Yes, sir, it is.

REDUCTION IN STATE APPROVAL AGENCY FUNDING

Mr. YOUNG. Now, where is the trouble going to come in? That is what I am trying to get at, the trouble down the road that you mentioned.

Ms. STARBUCK. The trouble down the road is that the money is becoming less, and pretty soon we are going to reach a point where there will be no return on our investment.

Mr. WILSON. One of the problems is, if you stretch the visitations to the schools, by the State Approval Agencies over an extended period of time, then deficiencies in the system do not come to your attention in time for you to make timely corrections.

Mr. YOUNG. I am glad to see you get the job done for half the money.

Ms. STARBUCK. It gives us, I think, a very good opportunity to pare a little obesity out of some of the contracts. We are not very popular, but we do it.

Mr. YOUNG. You know, when it is time to hand out government money, which everyone seems to assume comes off of a printing press, and too often it does, I realize you don't make a lot of friends. Sometimes it becomes very necessary to be firm, however, doesn't it?

Ms. STARBUCK. Yes, sir.

Mr. YOUNG. Thank you, Mr. Chairman.

EDUCATION BENEFITS LEGISLATION

Mrs. BOGGS. A number of Members of both the House and the Senate, including the Chairman of the House Veterans Affairs Committee and Ranking Minority Member of the Senate Veterans Affairs Committee have introduced legislation to establish educational benefits for veterans as a means of enhancing recruitment in the armed forces. There is some disagreement over who should bear the cost of such a program, the VA or the Defense Department. What do you think of the idea in general, recognizing that a variety of approaches have been introduced and, secondly, what is your reaction to the question of which agency should more properly bear the cost of the programs?

Ms. STARBUCK. The intent of such legislation at this time is supportive of the military, both in recruitment and retention. Since that is really the purpose of the bill, it would be my feeling that the Department of Defense should fund it, but we, the Veterans Administration, should administer it.

Mrs. BOGGS. What do you think of the approach in general?

Ms. STARBUCK. I think it is one of many options that will be available to the Secretary of Defense and to the President, himself, as they look at the need for supporting recruitment and retention.

Mr. WILSON. Mrs. Boggs, there will be hearings on that in the House Veterans Affairs Committee very shortly, and we will be testifying at that time.

Mrs. BOGGS. Thank you very much.

Mr. STOKES. I am wondering if anyone has given any thought to the possible relationship between the cuts in terms of the overall benefits for veterans and that relationship to recruitment of personnel for the Armed Services. Is it conceivable that persons who are going to be recruited for the services might look at these types of cuts in terms of benefits to him as a veteran, in terms of assessing his availability or nonavailability for the Armed Services?

BENEFITS AS ENLISTMENT INCENTIVE

Mr. WILSON. That is conceivable, Mr. Stokes. I don't know of any scientific studies that have been made in that regard that would really point out the facts to you. There have been mixed feelings about whether or not a G.I. bill, for instance, helps recruitment for military. There are some who would say the mere fact that a G.I. bill is out there in the beginning might cause a person to want to get out of the service sooner as opposed to staying in longer. There are others who say a great many advantages accrue to a person for what is called a second chance to go to school, to go in the military and come out and start a so-called second career.

With respect to whether or not a person might say to himself: am I going to be compensated as adequately when I come out of the service as when I go in? I don't think there has been very much study on that. The most significant thing I could say on that is that the compensation is not being cut by any of these proposals. The same with regard to pension. The pension is only available except for wartime service. That would not apply to anyone coming in today. The G.I. bill might have some effect. I am not prepared to say.

Mr. STOKES. I hear a commercial that says to an individual: how would you like to make a certain amount of money, $12,000 or whatever it is per year, and be able to go to school and get an education; and the bottom line is to join the services, and that you can do all this. That would seem to me to be an inducement to some degree to a young person interested in acquiring an education and a good salary.

It would also seem to me that the converse might be true of one who sees benefits that are being cut that currently exist.

Ms. STARBUCK. Much of the education pictured in those commercials is education within the military service, itself. The military service pays for it rather than having the individual reimbursed by the Veterans Administration.

Mr. WILSON. That is in addition, Mr. Stokes, to the fact that there is currently a plan where the serviceperson makes a contribution and the service matches it, enabling him or her to go to school. Those commercials speak to that kind of benefit for the person to go into the military. That program, by the way, has not worked nearly as well as was predicted some years ago. There are an awful lot of people who have put money into that fund who have been drawing it out recently.

Mr. STOKES. The concept sounded good.

Mr. WILSON. It was considered to be a good concept when it was adopted, but it has not worked out nearly to the favorable extent that was hoped.

Mrs. BOGGS. Inflation may have something to do with that.

Mr. WILSON. I think the young person might realize he has a couple of thousand dollars there in some fund and he decides he wants to buy a car as opposed to going to school down the road, and it is his money, or her money, so they can draw it out.

DATA PROCESSING FOR OVERPAYMENTS

Mr. SABO. With regard to overpayments in Veterans Benefits, where is the data processing for that done?

Mr. WILSON. The St. Paul data processing center in St. Paul, Minnesota.

Mr. SABO. How much will we lose in that program as we reshuffle that?

Mr. WILSON. I would think after the initial program we would not lose any. The data processing could be handled anyplace. It is only the data processing that is proposed to be moved.

Ms. STARBUCK. In fact, we will gain, because our computer at St. Paul has now reached the saturation point, and we will be able to do many of the things required by the law that we do only in education, and we will be able to do it with all of them.

Mr. SABO. As your proposal goes through, can you assure us that there will be much better collection a year from now?

Ms. STARBUCK. Yes, sir.

PRODUCTIVITY AT ST. PAUL DPC

Mr. SABO. Mr. Chairman, I just wanted to indicate that I discovered on February 6, 1981—I received a letter and a brochure prepared by Veterans Administration about the data processing center in St. Paul, extolling the virtues of it and describing the excellent job it does. Today, one month later, you're recommending closing it down.

Ms. STARBUCK. It does a good job.

Mr. WILSON. I would hope Mr. Sabo, that thing is dated prior to last Monday.

Mr. SABO. It is dated February 6, 1981, but it must have been hot off the press when I got a copy of it.

Mr. BOLAND. Did you get another copy from the area in which it is going?

Mr. SABO. I am sure there may be one. This tells us how productive the folks are who work there and what a good job they do and the unique services they provide in relation to the medical center.

Ms. STARBUCK. In the movement of that data processing center there will remain in St. Paul sufficient equipment and personnel to support the insurance operation there.

Mr. SABO. I didn't realize this until I read their brochure, but I also discover they provide some unique services for the VA Medical Center, which is located less than a mile away. Will those remain?

Mr. MARTIN. They would remain. It would not be a total departure of ADP in St. Paul. We would maintain a satellite of about 25 people. They would be there to maintain some of those unique systems that are valuable in St. Paul. The clinical laboratory, for instance, biophysical monitoring, and some insurance would remain.

Mr. SABO. That is some good news. I would like to insert the letter in the record at this point.

[The letter follows:]

Veterans Administration

February 6, 1981

In Reply Refer To: 204/00

Honorable Martin O. Sabo
426 Cannon House Office Bldg.
Washington, D. C. 20515

Dear Mr. Sabo:

The Veterans Administration has recently printed a brochure about the St. Paul Data Processing Center at Fort Snelling and we are enclosing a copy for your information and review.

Although the brochure is an attractive set of pictures and words and is intended for recruiting purposes primarily, it does not adequately represent the high quality of our employees and the quality of the services which we provide to the Veterans in Minnesota, the region, and the nation. For your information, our services include not only computer operations, but computer programing, and other related computer services which support VA health care and benefits programs.

Our customers, the VA Regional Offices and the VA Medical Centers, tell us that our work is not only beneficial, but important to their mission, and their praise is precisely why we consider our people to be fine examples of productive, sincere, and capable government employees.

Please contact me if you have any questions concerning the information we have provided you.

Sincerely yours,

T. N. RANSOM
Director

Enclosure

Mr. GREEN. Along the same vein, I see you have adequate data processing and other capability for your collection efforts.

TRANSFER OF ST. PAUL DPC FUNCTION

Mr. MARTIN. We do; yes, sir.

Under this plan to maintain appropriate operation of accounts receivable, we will very possibly move it to our Chicago center. We will be possibly moving the debt collection function to the Chicago data processing center, where we do have larger machine capacity available to handle this kind of work. This is what Ms. Starbuck was talking about a moment ago. We are out of capacity in St. Paul.

Mr. GREEN. You need to move in order to have the capacity?

Mr. MARTIN. That is not exactly the motivation here. There is a double effect. We can better utilize the equipment that we have, and we can also produce some rather significant overall personnel savings.

Mr. WILSON. Mr. Green, I think we should add we have had some conversation with the Office of Management and Budget about another computer that we have down in Austin, Texas, that is no longer being utilized properly. The decision to move to Hines, Illinois, is not locked in concrete and OMB agreed just this morning to reopen conversations if we want to reopen them, and I didn't have a chance to convey this to Mr. Martin yet. We will reopen conversation with respect to the possible use of that computer in Austin. We don't really know right at this moment what decision we are going to come down on.

Mr. GREEN. Does this relate to the conversion effort in Austin?

Mr. WILSON. That is on a different computer.

GENERAL OPERATING EXPENSES

Mr. BOLAND. This appropriation of the VA funds non-medical administrative support costs for General Administration, the Office of Data Management and Telecommunications, the Department of Veterans Benefits and the Department of Memorial Affairs.

The fiscal year 1981 Reagan request for General Operating Expenses is $603,728,000. That is a decrease of $38,131,000 below 1981 when the proposed pay cost supplemental request of $14,267,000 is considered. Average employment for 1982 is estimated at 20,067, a decrease of 1,903 below 1981. The Reagan budget amendments reduce the 1981 Carter estimate by $14,000,000 and 371 work years. The 1982 Carter request has been reduced by $66,300,000 and 2,022 work years. The largest reduction is in the Department of Veterans Benefits.

The total amount of the Reagan revised budget for General Operating Expenses in 1982, is $603,728,000, and the January Carter budget was $670,028,000, thus resulting in a $66.3 million reduction in the Carter budget.

OFFICE OF THE ADMINISTRATOR

We will turn to the Office of Administrator. On page 1-12, under "travel and transportation of persons," the justification shows $105,442 spent in travel in 1980. Last year, the estimate was

$60,700. What caused the travel to increase by $44,742, an increase of 74 percent between the actual and the estimated?

Mr. WILSON. Mr. Chairman, I would like to supply that for the record.

Mr. BOLAND. Please do.

[The information follows:]

The travel increase was necessitated by the addition of the White House Veterans Coordinating Committee to the Office of Administrator's staff. The 1980 budget was prepared prior to the establishment of this Committee, which was mandated by Presidential order.

CORRESPONDENCE TRACKING SYSTEM

Mr. BOLAND. On the same page, under "Rents, Communications, and Utilities", you are requesting $51,000 in 1982 to rent a correspondence tracking system. Why can't the Office of the Administrator continue to track correspondence in the current manner?

Mr. WILSON. We believe, Mr. Chairman, this will give us a much more efficient system, enable us to answer the mail faster, determine where proposed answers are throughout the building, throughout the system. This was a subject of a cost-benefit analysis by the Office of Program Planning Evaluation, and we determined that it would be cost-effective.

Mr. BOLAND. When you are talking about answering the mail faster, what mail are you talking about?

Mr. WILSON. Congressional mail, White House mail, mail from constituents, mail from the public around the country.

Mr. BOLAND. How many thousands of pieces of mail do you think you might have in a given period of time?

Mr. WILSON. Several thousand pieces, sir.

Mr. BOLAND. Within what period of time?

Mr. WILSON. A year.

Mr. BOLAND. It must be more than several thousand. I don't want $51,000 for several thousand, do you?

Mr. WILSON. I will supply the figure for the record, Mr. Chairman.

[The information follows:]

Currently we are averaging 24,000 pieces of mail annually.

We will now turn to the Office of Information Services.

Mr. WILSON. Mr. Chairman, may I interrupt just for a second? In view of the cuts that have been proposed by the Office of Management and Budget primarily for the Office of the Department of Veterans Benefits, we have also decreased employment. This will be made known to the Committee by a reduction of two people in the Administrator's office, from the Carter Budget request for 1982.

OFFICE OF INFORMATION SERVICES

Mr. BOLAND. The average employment in 1980 for the Office of Information Services was 48. Last year, the estimate for employment in 1980 was 46. What caused the average employment in 1980 to increase by two?

Mr. MOEN. The average employment increased by two, Mr. Boland, because of the transfer of the Vanguard Newsletter function within the VA.

Mr. BOLAND. Did the Reagan budget reduce this by any amount?

Mr. MOEN. Information Services has been reduced three workyears from 48 in 1980 to 45 in 1982.

[CLERK'S NOTE.—The Committee was informed subsequent to the hearing that the workyear level of 45 in the 1982 Reagan Budget is the same employment level as that reflected in the January Carter Budget submission.]

Mr. BOLAND. That is reflected on 1-14?

Mr. MOEN. That is right.

OFFICE OF THE GENERAL COUNSEL

Mr. BOLAND. We will turn to the Office of the General Counsel. Last year's Appropriation Act contained additional funding for an overpayments collection program. The conference report indicated $450,000 and 15 staff years to restore the reduction in the overpayments collection program in the Office of the General Counsel. In addition, $7,811,000 for debt collection activities was to be distributed by the Agency. For the record, show us how the $7,811,000 is distributed by office, along with associated staff years.

[The information follows:]

VETERANS ADMINISTRATION—FISCAL YEAR 1981 DEBT COLLECTION ANALYSIS

[Dollars in thousands]

	Senate report		House-Senate conferees[1]		Current estimate[2]	
	BA	FTEE	BA	FTEE	BA	FTEE
General Counsel	$4,194	135	$3,254	105	$2,394	84
DVB	3,810	205	2,853	154	1,449	81
O.D.M. & T	2,650	48	1,985	36	657	10
Controller	226	8	169	6	109	4
Agency total	10,880	396	8,261	301	4,609	179

[1] Approximately 75 percent.
[2] Fiscal year 1981.

Mr. BOLAND. How much will the VA be able to collect on an annual basis with the employment ceiling granted by OMB?

MR. COY. In the General Counsel's office alone we estimated that it will be $21 million in fiscal year 1982. If we look at a combined Agency figure, it will be much higher.

Mr. BOLAND. I would think OMB would provide the staff necessary to have an effective debt collection program. That is exactly what it is not doing, isn't that so?

Mr. COY. There was a reduction in the number provided by Congress; yes, sir.

Mr. BOLAND. How much was it?

Mr. COY. Congress authorized 301 FTE; however, only 179 were apportioned to the Agency for the education overpayment program.

Mr. BOLAND. Provide for the record, the total cost of debt collection activity in 1981 and 1982, both funds and staff years, by office.

[The information follows:]

VETERANS ADMINISTRATION—DEBT COLLECTION ANALYSIS, FISCAL YEAR 1981 AND FISCAL YEAR 1982

[Dollars in thousands]

	Fiscal year 1981 current estimate		Fiscal year 1982 estimate	
	BA	FTEE	BA	FTEE
General Counsel	$2,394	84	$3,459	101
Controller	109	4	181	6
O.D.M. & T	657	10	971	14
DVB	1,449	81	3,627	197
Total VA	4,609	179	8,238	318

USE OF PRIVATE COLLECTION AGENCIES

Mr. BOLAND. Does the VA intend to utilize private debt collection agencies.

Mr. COY. We do.

Mr. WILSON. We intend to propose legislation to give us authority to use private agencies.

Mr. BOLAND. That will require legislation?

Mr. WILSON. Yes, sir.

Mr. COY. We would retain litigation authority.

BOARD OF VETERANS APPEAL

Mr. BOLAND. The Board of Veterans Appeals in the 1982 Carter budget requested an average employment of 342 for the Board of Veterans Appeals. The Reagan amendment reduces the Carter average employment request by ten. That is reflected on 1-23.

I know the workload is substantial. That reduction prompts me to ask: with increases in the appeals processing time and in the number of appeals pending at the end of the year, why was this activity reduced? What will be the effect of the proposed reduction?

If you look at page 1-22, you will get a pretty good idea of the sizable workload.

Mr. WILSON. May I ask Mr. Syd Shuman, of the Board of Appeals, to comment, sir?

Mr. SHUMAN. Mr. Chairman, that will result in a longer processing time.

With the additional ten work years that we had proposed, we would have cut our processing time down to 191 days.

Mr. BOLAND. What is it now?

Mr. SHUMAN. Now it is running about 182 days. It has been going up steadily. We had hoped to have a processing time of 191 days in 1982.

Mr. BOLAND. I am reading from the justification where it says BVA appeals processing time has risen steadily from 74 days in 1976 to 134 days in 1980.

Mr. SHUMAN. I am talking about 1981.

Mr. BOLAND. And 217 in 1982.

Mr. SHUMAN. Yes, sir. It will continue to progress.

Mr. GREEN. I notice on page 1-22 a shift in workloads this year and a prediction for next year with more activity in the field stations and less in the BVA. Could you explain that?

Mr. SHUMAN. Yes, sir. That is just an accounting procedure. That workload has always been there. We set up an automated docket procedure because we literally ran out of space at the Board to hold all the appeals. We then estimated the optimum number of appeals to have on our docket. We hold the rest of the claims in field stations until they are called up. There is an additional benefit in that the regional offices have an opportunity to use the case file for other things such as changes in education benefits or determining whether or not a veteran's hospital needs are service connected.

Mr. GREEN. But you say you are losing time in processing the cases.

Mr. SHUMAN. The processing time would increase anyway.

Mr. WILSON. We don't lose time because of that sole accounting procedure. If the case stays out in the field longer, before it comes in here, it sits in a file cabinet waiting for Mr. Shuman's people to work on it.

OFFICE OF PERSONNEL

Mr. BOLAND. We will turn to the Office of Personnel.

On page 1-31, travel for executive training goes from $320,000 in 1980 to $729,000 in 1982. In the middle of the page, the Reagan amendment holds executive training under other services even at $288,000 in 1980 and 1982. The 1981 estimate is $509,500. Why shouldn't travel for executive training in 1982 be further reduced?

Mr. WILSON. May I ask Mr. Charles Clark, the Assistant Administrator for Personnel, to comment?

Mr. CLARK. Basically, in 1981, there was a lot of startup activity requiring contractual services funds to develop new programs in further implementation of the Civil Service reform, especially executive and key management training programs. The SES Candidate Development Program and further implementation of our four-tier system of training were involved. This is Agency-wide training. In fiscal year 1982 these programs will be online and participants will be attending more training sessions which will necessitate a significant increase in travel to various locations. We have a lot of assessment centers conducted around the country. So while we didn't have as much training in 1981, we will have much more training requiring travel funds in fiscal year 1982.

Mr. BOLAND. The program will be more fully developed and implemented, then, in 1982?

Mr. CLARK. That is correct.

EXECUTIVE TRAINING

Mr. BOLAND. What about reducing the current estimate of "$509,500 for "other services" in 1981?

Mr. CLARK. That is basically contractual cost. Again, that cost cannot level off until fiscal year 1982. As a result of the startup we had a lot of contractual costs in fiscal year 1980. It will be reduced in fiscal year 1982, and in future years it will not be as much.

Mr. BOLAND. The 1981 current estimate for VA executive training was $709,500, and now the estimate is $509,500. What are you losing by that $200,000 reduction in the 1981 current estimate?

Mr. CLARK. That is a reduction in contractual cost. In 1982, we will be losing $400,000, which will be a further reduction.

Mr. BOLAND. Exactly what are you telling us here? What does it mean programmatically when you indicate that there is a reduction in contractual costs?

Mr. CLARK. What impact that would have on programs, if I understand your question.

Mr. BOLAND. Yes.

Mr. CLARK. We will certainly have to reduce some training opportunities.

[CLERK'S NOTE.—Subsequent to the hearing, the Committee was informed that the VA found it essential to reestablish priorities in executive and managerial development after realizing cuts of this magnitude: some plans for the development of certain new programs were cancelled; some training sessions will be cancelled; and the number of trainees attending other programs will be reduced.]

Mr. STOKES. Before we move from that section, may I inquire?

Mr. BOLAND. Surely.

Mr. STOKES. Thank you.

I notice the Office of Personnel is also responsible for administering and implementing VA equal opportunity in executive development programs. Can you tell me the current representation of minorities in policy-making positions at the VA?

Mr. CLARK. Mr. Stokes, I would refer that question to Mr. Johnson, who is Acting Assistant Administrator for Human Goals. If he doesn't have that, we can submit it for the record.

Mr. STOKES. Is the Office of Human Goals within the same division?

Mr. WILSON. That is separate.

Mr. STOKES. Under the Office of Personnel, who can give me some data on that?

Mr. CLARK. Would you state your question again, Congressman Stokes?

Mr. STOKES. What we want to know, is what is the current minority representation in policy-making positions at the VA? Doesn't this section have a responsibility for equal opportunity in the executive development programs?

Mr. CLARK. Yes, sir. I'll insert this in the record.

[The information follows:]

In reference to the question regarding the current representation of minorities in policy-making positions, there are 18 field facility directors, 20 field facility assistant directors, 8 field facility chiefs-of-staff and 30 Central Office officials at grades GS-15, and equivalent, and above in the Veterans Administration.

Mr. STOKES. Can you tell me something about the programs as they relate to minorities? I am trying to find out where minorities are in terms of these programs.

MINORITIES IN EXECUTIVE DEVELOPMENT

Mr. CLARK. In reference to the training of women and minorities in the executive development program, their representation is pro-

portionate in terms of the numbers in the various training programs. We can submit specific data for the record in this area.

Mr. STOKES. Very well. Provide for the record a breakdown of minority representation at each grade level above grade 11. Can you do that for me?

Mr. CLARK. Yes.

[The information follows:]

MINORITY PARTICIPATION IN VA TRAINING PROGRAMS

[1st 3 quarters, fiscal year 1980]

	Total trainees	Black	Hispanic	American Indian	Oriental	Total minority
GS9–12 [1]:						
Number	13,700	1,401	430	36	149	2,016
Percent	100	10.2	3.1	.3	1.1	14.7
GS13–15 [1]:						
Number	2,449	160	52	2	13	227
Percent	100	6.53	2.1	.1	.53	9.3

[1] Detailed breakdown by specific grade not available.

Mr. STOKES. Are any minorities participating in your Senior Executive Service candidate development program? Also, I would like to know, if so, how many, what percent, and also, if none, why.

[The information follows:]

Three minorities, all Hispanic, and four women are included among the 37 persons selected for the first Senior Executive Service Candidate Development Program (SESCDP). Minority representation, thus, is 8 percent while female representation is 11 percent. In addition, two blacks who would have been prime candidates for the SESCDP were appointed directly into the SES about the same time as the program was announced.

Mr. STOKES. Can someone tell me the current status of President Reagan's appointments at the sub-cabinet level?

Mr. WILSON. There are only three Presidential appointments in the Veterans Administration. One is the Administrator, where an appointment has not been made, and the Deputy Administrator. The current Deputy is me, and I was exempted when the law was passed, making that subject to Presidential appointment and Senate confirmation. The other job is the Inspector General. The outgoing Inspector General resigned. Consideration is being given now to the appointment of another Inspector General, or perhaps the same one by the President.

UPWARD MOBILITY

Mr. STOKES. I understand that you also have an upward mobility program for training and educating employees to enable them to perform at their highest potential. I would like to have someone tell us on the record how many minorities have participated in this program, and what percentage of total employees participating does the number of minorities constitute?

Mr. WILSON. We will supply that for the record.

[The information follows:]

MINORITY PARTICIPATION IN VA UPWARD MOBILITY PROGRAMS—FISCAL YEAR 1980

	Number	Percent
Black	295	36.0
Hispanic	33	4.0
American Indian	3	0.4
Oriental		
Total minority	331	40.0
Total trainees	827	

HUMAN GOALS

Mr. STOKES. Now, in the Office of Human Goals, perhaps you can tell me—the fiscal year 1982 request states the Office of Human Goals closed 384 discrimination complaint cases in fiscal year 1980. Can you tell me whether a finding of discrimination was reached in any of these cases, and what percentage? Is that something you would like to supply for the record?

Mr. JOHNSON. I would supply that for the record, sir. It would be about 1.1 percent of the cases.

[The information follows:]

Of a total of 384 cases closed in fiscal year 1980, discrimination was found in 1.1 percent. It is also significant to note that 131 of these complaints were withdrawn after corrective action was provided in most instances. This is in line with our emphasis on informal resolution.

ANALYSIS OF DISCRIMINATION COMPLAINTS

Mr. STOKES. Supply this for the record, too: in how many cases and in what facilities these complaints took place, what type of discrimination is most frequently alleged in the 400 cases that were closed in fiscal year 1980, whether you have conducted any studies on the patterns of complaints, and what steps are you taking to prevent a recurrence of these types of complaints. If you will supply that for the record, I would appreciate it.

[The information follows:]

The three cases, in which discrimination was found were filed at the following facilities:

VA Regional Office, Lincoln, Nebraska;

VA Medical Center, Murfreesboro, Tennessee; and

VA Medical Center, Los Angeles, California (Wadsworth).

The most frequent basis on which determination was alleged was: Race (Black).

The Office of Human Goals cooperates in and reviews the reports of audits and personnel management evaluations conducted by the Office of the Inspector General and the Office of Personnel to identify problems at the local level and to recommend ways to improve the EEO situation.

All EEO complaints are routinely reviewed by the Central Office Staff in an effort to identify matters amenable to systemic corrective action. The monthly reports filed by field installations are used to provide some concept of the most prevalent concerns giving rise to complaints. We have also focused on the training of supervisors and managers to increase their awareness and sensitivity regarding actions and situations frequently leading to charges of discrimination.

A detailed review of ways to prevent discrimination complaints has been made for the VA Medical Center in Temple, Texas and Fort Wayne, Indiana.

OFFICE OF MANPOWER PROGRAMS

Mr. BOLAND. We will now turn to the Office of Manpower Programs. This is the last time we will address this program, because it will be abolished by 1982.

Mr. WILSON. We plan to abolish it prior to 1982.

Mr. BOLAND. You are going to phase it out then, in this fiscal year?

Mr. WILSON. That is correct.

Mr. BOLAND. How much of the $202,000 reflected in the current estimate column will be used?

Mr. WILSON. I would say that all of it will be utilized by the time we get it phased out.

Mr. BOLAND. The 1980 actual column and the 1981 budget estimate reflect ten employees. You are going to operate with five employees in the remainder of 1981? How many employees are aboard now?

Mr. WILSON. Ten. Five months of the current year have already passed, therefore the five FTEE will have been utilized by the end of March.

Mr. BOLAND. When was the Office of Manpower Programs set up?

Mr. WILSON. Two years ago.

Mr. BOLAND. Where were the functions currently performed by the Office of Manpower Programs previously housed? Were they in Mr. Hoffman's office?

Mr. WILSON. They were throughout the agency—in Mr. Hoffman's office and in the various departments and staff offices.

Mr. BOLAND. Why was the Office of Manpower Programs made a separate office?

Mr. WILSON. The Administrator, at that time, thought it would be beneficial for the Agency to organize a group of people to concentrate on manpower studies and manpower savings.

MANPOWER TRACKING SYSTEM

Mr. BOLAND. You have completed the development of a Manpower Tracking System, which is described on page 1-34. The justification says: "completed development of a prototype for the Manpower Tracking System." Apparently, it was made available to the Department of Medicine and Surgery, and was designed to track medical care staffing and workload at each health care facility. How useful is the Manpower Tracking System?

Dr. CUSTIS. We desire very much to retain that, Mr. Chairman. It is going to be more important in the next couple of years than it is today. It is just now under development, and you will recall for some time we have been working on the establishment of more meaningful staffing criteria. When that is ready for implementation, especially considering OMB's interest in FTEE control, an online tracking system is going to be very important to us.

Mr. BOLAND. Are you going to lose that capacity?

Mr. WILSON. No, sir.

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Mr. BOLAND. Where will you house it now?

Mr. WILSON. Probably in the Department of Medicine and Surgery.

Mr. BOLAND. Will that require additional personnel? How will you provide resources to execute this change?

Dr. CUSTIS. We have a nucleus of personnel to take that over right now. We have nothing in the 1982 budget. We did not anticipate this change. It may require some FTEE out of our hide.

Mr. WILSON. It is our plan to absorb those.

SENIOR EXECUTIVE SERVICE

Mr. BOLAND. Let me ask you about the Senior Executive Service that provides for bonus allowances, and cash bonuses for GS employees. How much was spent for bonuses, both SES and others?

Mr. CLARK. Mr. Chairman, we spent in 1980, about $199,000.

Mr. BOLAND. Both SES and for GS?

Mr. CLARK. That was just for SES.

Mr. BOLAND. What is the highest cash bonus paid in 1980?

Mr. CLARK. Ninety-five hundred dollars.

Mr. BOLAND. What did that individual do to have received that particular bonus?

Mr. CLARK. There were three individuals, sir. Those senior executives were rated as outstanding employees in performance.

Mr. BOLAND. What is the fiscal year 1982 request for bonus allowances for the SES?

Mr. CLARK. About $1,300,000.

Mr. BOLAND. It is going up a bit. Are you sure?

Mr. CLARK. This is agency-wide. That is across-the-board. While we have that request, we have not spent those kinds of dollars.

Mr. WILSON. Mr. Chairman, when we clarify this for the record, you will see the directors of our hospital system throughout the country have been taken out of SES and are in a similar situation, but not SES. We need to clarify that for the record as to how much money is involved.

[The information follows:]

SES BONUSES

The amount earmarked in fiscal year 1981 for SES bonuses was based on anticipated bonuses for 50 percent of the VA's SES positions. This totaled roughly $1.2 million. Another $200,000 was earmarked for the meritorious and distinguished executive awards presented by the President. The total earmarked in fiscal year 1981 was thus about $1.4 million. In fiscal year 1981, to date, $226,000 has been paid in SES bonuses to 40 SES incumbents. No fiscal year 1981 Presidential awards have been made, as yet. The reduction in bonus money actually paid from the fiscal year 1981 estimate resulted from Congressional action limiting bonuses to 25 percent of an agency's total SES positions and from OPM's action further limiting bonuses to 20 percent of an agency's incumbered positions.

It appears that the fiscal year 1982 estimates reflected a straight-line from our original fiscal year 1981 estimates. Please remember that SES bonuses are paid from regular personal services funds and are not in addition to them. Estimates are used to earmark all funds that might possibly be used for SES bonuses.

It should also be noted that — 160 DM&S non-physician Medical Center directors will soon be placed under Title 38. However, they still will be eligible for performance bonuses and rank awards.

OFFICE OF PLANNING AND PROGRAM EVALUATION

Mr. BOLAND. We will turn to the Office of Planning and Program Evaluation.

The 1981 Conference Report indicated that a $400,000 reduction was to be taken in such administrative offices as Executive Director (DVB), Information Services, Consumer Affairs, and Emergency Preparedness. Last year, the VA stated that the Consumer Affairs program required four staff years and $141,100, and that the Emergency Preparedness staff required three staff years and $109,100.

The 1982 justifications do not mention the Consumer Affairs staff or the Emergency Preparedness staff separately. How much of the $400,000 reduction was applied to these two staffs?

Mr. BLUNT. One FTEE for the Office of Consumer Affairs and $31,000.

Mr. BOLAND. How much is in the 1982 request for these two staffs?

Mr. BLUNT. In each office, $140,000 in the Office of Consumer Affairs, $121,000 in the Office of Emergency Management.

[The information follows:]

Executive Order 12160, entitled "Providing for Enhancement and Coordination of Federal Consumer Programs" required the Agency to have an identifiable consumer affairs staff. The primary function of the staff is to provide a structure for coordinating a comprehensive VA consumer program. The VA's Consumer Affairs Coordinator is a senior level official who reports to the Administrator and has sole responsibility for the consumer program. The Coordinator and staff of two, which was formed from existing Agency resources, has been developing systematic means to collect, assemble and present veterans' views and concerns for use in Agency decisionmaking processes.

The basic legislative authority for the Emergency Management Staff in the VA stems from the Federal Civil Defense Act of 1950 and the Disaster Relief Act of 1974. The Emergency Management Staff assists the Administrator in developing Agency wide policies, plans and procedures in the event of national emergency contingencies, as well as major natural or technological disasters. In addition, the staff develops interagency agreements involvig VA resources or support required from others; oversees VA field facility emergency exercises; and plans, directs and reviews participation in joint military/civilian readiness exercises. Essential records and pertinent classified data are maintained by the staff and the activities of the Agency's 10 Liaison Representatives to the Federal Emergency Management Agency's Regional Directors are coordinated to ensure an effective emergency preparedness program throughout the United States.

OFFICE OF INSPECTOR GENERAL

Mr. BOLAND. We will turn to the Office of Inspector General. The Office of Inspector General has statutory responsibility to promote the economy, efficiency and effectiveness of VA programs and to prevent and detect fraud and abuse in such programs and operations.

Do you have any idea how much money has been saved because of the activities of the Inspector General? How much for fiscal year 1979 and how much for fiscal year 1980?

Mr. SILVERSTEIN. For 1979, and 1980, our figures show the total amount of cost avoidance proposals and questionable costs and external costs adds up to approximately $88 million.

Mr. BOLAND. You don't have an IG now, do you?

Mr. WILSON. No, sir. There were 13 of them in the Federal government and they all resigned.

Mr. BOLAND. Now, the VA is requesting an average employment of 349 in the Office of Inspector General. The 1982 Carter request was for 360 staff years. That is reflected on page 1-44.

Why has that particular office been reduced?

Mr. WILSON. When the big cut came primarily in the Department of Veterans Benefits, I felt it advisable to spread the cut throughout the Agency, wherever it could be spread. I made the decision to cut approximately three percent in the staff offices and three percent of I.G.'s staff was 11 people.

Mr. BOLAND. Would an increase in the Office of the Inspector General increase the effectiveness and efficiency of the VA program?

Mr. WILSON. It might if the people were used in the appropriate place.

Mr. BOLAND. You would be sure to put them in the appropriate place. You would do that, wouldn't you?

Mr. WILSON. I would try.

ESTABLISHMENT OF MEDICAL INSPECTOR IN D.M. & S.

Mr. BOLAND. In visits to various hospitals this year the staff noted comments that the IG's audits were very often "nitpicking" and didn't reflect a good understanding of special local situations. Dr. Custis, how do you feel about the IG's work?

Dr. CUSTIS. Much better than I did. Mr. Chairman, I think the IG staff will agree that they have a much better feel for the professional side of what they are looking at. There was a time when there was something less than a clear understanding of who should be ultimately responsible for monitoring quality of care and professional performance of health care professionals. This was resolved by way of a compromise and we now have a medical inspector who cooperates with the Inspector General.

The Inspector General and his staff will assign certain problems to the Medical Inspector. The Medical Inspector will call for the IG when he gets involved in something that also suggests fraud and abuse.

Their working relationship is greatly improved and the satisfaction factor in the field with regard to our hospital staffs, is much improved over what it was two years ago.

Mr. BOLAND. The General Accounting Office also audits VA activities. How is the OIG and the GAO coordinating activities so that both do not cover the same idea?

Mr. SILVERSTEIN. There is a GAO liaison function in the Office of the IG We are aware of the particular audit GAO is examining. We also have our Office of Audit coordinate with GAO so we are both not covering the same area at the same time.

REFERRALS TO DEPARTMENT OF JUSTICE

Mr. BOLAND. In the most recent IG report No. 4 is the following paragraph about a report on ADP equipment. It appears on page 1-16 of the IG report:

> Six weeks after issuance of our report, GAO issued a report "VA Must Strengthen Management of ADP Resources to Service Veterans' Needs." This report addressed many of the same areas as our report, albeit in more detail. However, the steps taken to comply with our report should rectify the similar problem areas reported by GAO.

On page 4-7 of the October 1980 report, the OIG listed the number of cases for fraud, theft, etc., referred to Justice. In a recent six-month period you referred 703 cases to Justice. Justice declined to take any action on 221.

What are the principal reasons that Justice gives in declining any action in these areas?

Mr. SILVERSTEIN. Most of the cases are cases involving a single incident of a loan guarantee alleged fraud, or a single incident of a pension type case. Prosecutors look at those situations, look at the amount of money involved, the possibility of getting a jury conviction considering all factors, and that tends to be the major reason why those cases are declined.

I might add that most of the cases are referred by district counsel directly and the district counsel guidelines provide that the district counsels do not spend a great deal of investigation time looking at the particular cases; that when it is sent to the Department of Justice it is an alleged case of fraud and the Department of Justice then might have the FBI conduct further investigation to determine the merit of the case.

Mr. BOLAND. The Department of Justice does not decline because of inadequate documentation by the OIG?

Mr. SILVERSTEIN. I have heard no complaints with regard to cases that have been referred by our office to the Department of Justice.

Mr. BOLAND. When the Department of Justice declines to take any action, what does VA do about it?

Mr. SILVERSTEIN. When Justice declines to take action, administrative action is required, such as personnel action, disciplinary action, and recommendations are made in that regard.

If it is a situation where an overpayment has been made and it is determined there is not fraud involved in that situation, then we inform the Department if they have not already been informed and action is taken on the overpayment at that time.

MANAGEMENT SERVICES

Mr. BOLAND. Turn to the Office of Management Services. Almost every staff office has been reduced by the Reagan budget amendment except this one. The justification is on 1-49 and states that the additional staff year requested in 1982 is to support the VA Environmental Affairs program.

Why can't this program be supported from existing staff?

Mr. WILSON. The reason it was not reduced is because it is already a very small office and has a great deal of workload.

Mrs. DINUNZIO. We have only a staff of 24 right now. We have just received a tremendously increased workload as a result of the

Federal Paperwork Reduction Act, and the new Executive Order 12-291. In implementing these two documents, our workload is increasing tremendously.

Mr. WILSON. Mr. Chairman, we send many referrals to the Federal Register, and the final activity is done by Mrs. diNunzio's office. This office insures that this is done on a timely basis.

Mr. BOLAND. On 1-50, under "other services," the legend indicates that an increase of $343,000 requested in 1982 is for costs associated with the automation of VA regulations in the Federal Register programs.

Why has the VA assigned such a high priority to this activity? Will automation save staff time?

Mrs. DINUNZIO. There will be considerable benefits. It should expedite the processing of regulations. It will probably have an impact on the amount of clerical and administrative time that is used and our productivity should be increased.

Our field stations will receive the regulations on a much more timely basis. They need them in order to process the requests for veterans' benefits.

We will have more time to review additional regulations or regulations that are being updated. We will be able to search our regulations and cross-reference them.

With this additional money, the equipment we get to do all this will also give us an on-line up-to-date status of all regulations.

ADMINISTRATIVE SERVICES

Mr. BOLAND. We will turn to the Office of Administrative Services. Let me direct your attention to certain activities in 1980 which exceeded their estimated costs. For equipment last year, you estimated $28,700; the actual expenditure was $246,059. For Other Services, your estimate was $448,500; the actual expenditure was $792,047. For printing and reproduction, the estimate last year was $968,500; the actual was $1,164,797, for a total estimate of $1,445,700, as opposed to the actual expenditure of $2,202,903.

That means that you spent 52 percent more in 1980 for those activities than you estimated last year. This leads me to believe that you are busily engaged in end-of-year spending. Is that correct?

Mr. WILSON. No, sir, we did not engage in end-of-year spending at all this year.

Mr. BOLAND. What caused the cost of these items to increase? We are questioning the amount of money you estimated last year in these particular activities where you actually spent a lot more.

Let me mention equipment again. The estimate last year given to this Committee for equipment was $28,700. You actually spent $246,059 in 1980. Why that tremendous increase in expenditures for equipment?

Ms. ROBUCK. In 1980 that was for a one-time acquisition of mailmobile equipment. We procured seven of those in 1980.

Mr. BOLAND. Answer that for the record.

[The information follows:]

FISCAL YEAR 1980 ACTUAL EXPENDITURE VERSUS BUDGET

Administrative Services' actual expenditures exceeded the fiscal year 1980 budget estimate in the areas of equipment, other services, and printing and reproduction. The fiscal year 1980 costs ($246,059) included $232,324 prior year costs for mail mobiles and videotape equipment which had been ordered and funds obligated in fiscal year 1979. The automated mail delivery service was approved by the Assistant Deputy Administrator. The purchase of videotape equipment was necessary to carry out responsibility assigned to Administrative Services in September 1978, for videotaping of special events, training materials, etc.

The fiscal year 1980 total for other services ($792,047) included $450,000 for renovation and conversion of space vacated by the Washington Data Processing Center into office space for Central Office expansion. Funds were not included in Administrative Services' budget, but provided by the Controller.

Fiscal year 1980 printing and reproduction costs ($1,164,797) exceeded the budget ($968,500) because of GPO rate increases; reliable projections for two newly established staff offices were not available when fiscal year 1980 budget was prepared; and increased requirements related to the Civil Service Reform Act, SES, Merit Pay, etc.

Mr. BOLAND. We have just listed the areas in which the estimates were lower than the actual expenditures. Last year, a similar question was asked and information was supplied which showed heavy equipment expenditures in the fourth quarter. That is reflected on page 108 of the hearings.

Our concern again is that there is heavy end-of-the-year spending in this area.

Mr. WILSON. I think you will find, Mr. Chairman, that this past year we were extremely careful with respect to fourth quarter spending as compared to previous years. There are certain advantages to doing things that medical programs, for instance in terms of purchasing in the fourth quarter to take advantage of certain discounts, but we were very prudent last year, if my memory serves me correctly, with respect to buying.

These seven mail mobiles that Mrs. Robuck talks about were bought early in the year, which ran the equipment costs way up. These are machines that go up and down the halls without people driving them. They are self-propelled. They save money and people. That is a principal cost that caused this item to go way up.

That money obviously had to be taken from some other place.

Mr. BOLAND. How important was the videotape and motion picture equipment purchase in the fourth quarter of 1979? You can supply that answer for the record, and also explain what that equipment is being used for now.

Mr. WILSON. We will supply that for the record.

[The information follows:]

Videotape and motion picture equipment was necessary to carry out responsibility assigned to Administrative Services by the Administrator. It is being used for the filming and taping of special events, training and educational material for the dissemination of information regarding veteran benefits and programs.

ADMINISTRATIVE SERVICES BUDGET REQUEST

Mr. BOLAND. The 1982 revised request for the Office of Administrative Services is $15,445,000, an increase of $1,059,000 above 1981. At least part of the increase appears to be discretionary: that is, VA will spend the funds if available.

For instance, the $152,000 requested in 1982 for conversion of the telephone switchboard, which is reflected on page 1-53 under

"rents, communications and utilities," was also requested in 1981. Why aren't you converting the telephone switchboard in 1981?

Ms. ROBUCK. GSA cannot furnish us the lines.

Mr. BOLAND. How important is it to convert the telephone switchboard to the latest system?

Ms. ROBUCK. We have an antiquated PBX system. We have approximately 130 lines to go on it and when those lines are taken we cannot furnish additional telephone service.

CONTROLLER'S OFFICE

Mr. BOLAND. Turn to the Office of the Controller. Average employment in 1982 is estimated at 553, an increase of 61 over the 1981 level. However, the total costs in 1982 decrease by $17,000, to $16,463,000.

Why is there a decrease of $1,698,000 in the Employee Compensation Program billing from the Department of Labor? Will this cost increase again in 1983?

Mr. HOFFMAN. Mr. Chairman, this is an adjustment by the Department of Labor based on improved computer techniques changing a trend that has been occurring over recent years. The correction is the result of action that we instituted because we were concerned about the billing and henceforth it should be reflecting a lower figure than what we had in prior years.

In fiscal year 1981 employee compensation costs were $3 million. In fiscal year 1982 they will be $1,310,000.

I also want to add that my office pays for all employee compensation costs for the entire General Operating Expenses account, except for the Department of Memorial Affairs.

STATISTICAL SURVEYS

Mr. BOLAND. The 1982 request for "other services" is $568,000, an increase of $113,000 above 1981. The justification (page 1-57), indicates the increase will be used primarily for preliminary design of a statistical survey of female veterans.

What is the purpose of the statistical survey?

Mr. HOFFMAN. Mr. Chairman, we have had increasing requests for information concerning female veterans. This survey emanates from requests we received over the last couple of years. There are 700,000-plus female veterans on the rolls out of the total 30 million veterans and we just feel programmatically we should be looking at the impact of the increasing number of female veterans.

The study of $113,000 will tie into the 1980 Census which specifically asks that we now have identification of female veterans.

Mr. BOLAND. What will the survey cost?

Mr. HOFFMAN. Preliminary work, including sample design and survey instrument or questionnaire formulation will cost approximately $113,000.

HUMAN GOALS

Mr. BOLAND. Turn to the Office of Human Goals. Mr. Stokes detailed some questions earlier with respect to this activity.

Last year you showed an average employment of 28 for 1980. The 1980 actual average employment shown on page 1-62 of the justifi-

cation is 31. Why did average employment increase by three above plan?

Mr. JOHNSON. The average employment increased three above the plan because, as we went into the new year when we were reduced from 31 to 28, instead of abruptly eliminating these persons, they were eliminated by attrition.

Mr. BOLAND. Last year, travel for 1980 was estimated at $63,000. The justification shows that $92,598 was spent for travel in 1980. What occasioned this nearly 50 percent increase in travel costs in 1980?

Mr. JOHNSON. Toward the end of the year, we had a severe need for an increase in the number of EEO investigators. We sought additional travel funds to meet this need. That was the amount above and beyond the allotment for that year.

Mr. BOLAND. Are there questions on the General Operating Expenses?

Mrs. BOGGS. Did we address what ever happened to consumer affairs and emergency preparedness?

Mr. WILSON. Yes, a question was asked about how many people serve in those two functions and the answer given was three in each of those functions.

Mrs. BOGGS. I didn't seem to see any justification for it under Information Services.

Mr. WILSON. We will be pleased to submit something for the record. It is under the Planning and Program Evaluation Office.

[The information follows:]

Executive Order 12160, entitled "Providing for Enhancement and Coordination of Federal Consumer Programs" required the Agency to have an identifiable consumer affairs staff. The primary function of the staff is to provide a structure for coordinating a comprehensive VA consumer program. The VA's Consumer Affairs Coordinator is a senior level official who reports to the Administrator and has sole responsibility for the consumer program. The Coordinator and staff of two, which was formed from existing Agency resources, has been developing systematic means to collect, assemble and present veterans' views and concerns for use in Agency decision making processes.

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DEPARTMENT OF MEMORIAL AFFAIRS

Mr. BOLAND. We will turn to the Department of Memorial Affairs. We have a statement from Mr. Corrado. Would you like to highlight it?

Mr. CORRADO. The Department of Memorial Affairs is responsible for three Veterans Administration missions.

First, the operation and maintenance of the Veterans Administration National Cemetery system; second, the procurement and shipment to destination of headstones and markers furnished upon application for graves in both national and private cemeteries; and

third, the grant program for aid to States in establishing, expanding or improving state veterans cemeteries.

The management structure within the Department of Memorial Affairs to supervise and control our assigned missions consists of a central office staff and three area offices, responsible for supervising the National Cemetery system, and presently located in Philadelphia, Atlanta and San Francisco.

A total of 140 cemeterial installations are now included in the National cemetery system, of which 107 are national cemeteries and 33 are miscellaneous burial plots and monument sites. The national cemeteries include the new ones at Calverton, New York; Riverside, California and Bourne, Massachusetts. One is scheduled for opening in fiscal year 1982, that is Indiantown Gap, Pennsylvania, and one scheduled for opening in fiscal year 1983 at Quantico, Virginia.

Under the General Operating Expenses appropriation, we are requesting $34,309,000 in budget authority for cemeterial operation and maintenance. Some 68 percent or $23,332,000 of this is for salaries and other related benefits of an average employment of 1,164. The other 32 percent or $10,977,000 will be used for equipment, supplies, energy, automation and communications.

During fiscal year 1982, we expect to accomplish 48,000 interments and maintain 1,486,000 occupied gravesites. In addition, our workload includes the processing of 268,000 applications for headstones and markers.

The 1,164 average employment we plan to fund in fiscal year 1982 includes 353 general schedule employees and 811 wage grade employees. We have computed the personnel requirements on the workload ratio of one employee per 167 interments and one employee to maintain 2,836 occupied gravesites.

Funds are included in the burial benefits and miscellaneous assistance request totaling $14,220,000 to enable us to procure 235,000 headstones and markers. This amount includes procurement costs and shipment to consignee. The average cost per unit is estimated at $61.

The fiscal year 1982 request for construction funds, both major and minor, totals $6,390,000. With these funds, we will prepare plans for design and development of 29 additional acres of land in the Fort Snelling National Cemetery, initial development of the Region V national cemetery; design of 57 additional acres for the new Riverside, California cemetery, and design and development of 23 additional acres in three existing cemeteries.

In addition, an amount of $500,000 is included for the advance planning fund.

We are not requesting any funds for the third year of our cemetery grants program since we now estimate the $10,000,000 made available in 1980 and 1981 will be sufficient through fiscal year 1982.

In summary, the Department of Memorial Affairs request for fiscal year 1982 totals $54,919,000 to carry out its assigned missions.

I will be glad to answer any questions you may have.

SUMMARY OF DMA BUDGET ESTIMATES

Mr. BOLAND. We will turn to 1-66 of the summary of budget estimates.

On page 1-66 under workloads, the actual for 1980 was very close to last year's estimate. For example: last year's estimate for interments was 42,000, the actual interments were 41,120; the estimate of gravesites maintained, was 1,397,637, the actual maintenance of the gravesites was 1,416,934; the estimate of headstone marker applications processed was 258,000, actual applications processed were 268,055.

However, actual 1980 average employment was 1,111, a decrease of 54 below the estimate. How were you able to accomplish the planned work with fewer employees?

Mr. CORRADO. Mr. Chairman, first of all the reason was the hiring limitation. The 54 less was something we had to absorb. We had to do the best we could. I must admit there was some diminution within the general maintenance quality of our national cemeteries but nonetheless we did provide full priority to the interment function.

I would hope we will be able to do better in this current fiscal year.

Mr. BOLAND. The workload estimates generally increase from 1981 to 1982, as shown on 1-66, as follows: Interments—44,000 in 1981 and 48,000 in 1982; gravesites maintained—1,449,934 in 1981 and 1,485,934 in 1982; and headstone/marker applications processed—268,000 in 1981 and 268,000 in 1982.

Average employment, however, remains at 1,164 in both 1981 and in 1982.

How can you accomplish the increase in work with the same average employment? I presume it is productivity, isn't it?

Mr. CORRADO. We prescribe increases but so far we have just been able to keep our heads above water.

[CLERK'S NOTE.—Subsequent to the hearing, the Committee was informed that the VA places first priority on the interment workload. Any increase in interment workload must be achieved at the expense of cemeterial maintenance if no additional employment is provided. The VA hopes to cover this part of the workload increase through improved productivity.]

Mr. WILSON. We always give priority to interments and you stretch out the maintenance of gravesites.

FUTURE EMPLOYMENT NEEDS

Mr. BOLAND. The 1982 VA Construction budget requests $6,390,000 for the National Cemeteries program.

Will the Department of Memorial Affairs be given additional average employment in future years to meet the increased workloads? If not, why are you proposing to expand the size of the system?

Mr. CORRADO. We would hope in fiscal year 1983, when those areas come on line, we would hope to get additional FTEE. Otherwise, it will be difficult to operate those areas.

Mr. WILSON. It has been indicated we do not expect difficulty in receiving additional FTEE as those new cemeteries come on line.

CONTRACTING FOR MAINTENANCE

Mr. BOLAND. Does or can the VA contract out for certain services in the National Cemeteries Program? If so, is or would contracting out be cost effective?

Mr. WILSON. In our smaller closed cemeteries we do that quite often.

Mr. BOLAND. I presume in the smaller cemeteries it must be cost effective?

Mr. WILSON. Very much so.

Mr. BOLAND. Would you supply something for the record on this?

Mr. CORRADO. We have nine cemeteries that are on contract. Then, of course, we have—I will have to supply something for the record—many functions that are contracted out throughout the entire system such as trash collection and so forth.

[The information follows:]

DEPARTMENT OF MEMORIAL AFFAIRS SERVICE CONTRACTS IN FORCE—FISCAL YEAR 1981

National cemeteries in Philadelphia area	*Types of contracts*
Alton	Total cemetery under contract.
Baltimore	Trash removal.
Calverton	Trash removal; graveliners; marker bases.
Camp Butler	Trash removal.
Crown Hill	Total cemetery under contract.
Cypress Hills	Total cemetery under contract.
Massachusetts	Trash removal; graveliners.
Philadelphia	Total cemetery under contract.
Rock Island	Trash removal.

National cemeteries in Atlanta Area	*Types of contracts*
Alexandria, La	Trash removal; extermination and open/closing graves.
Balls Bluff	Total cemetery under contract.
Barrancas	Extermination.
Baton Rouge	Open/closing graves.
Beaufort	Trash removal; extermination.
Camp Nelson	Extermination.
Cave Hill	Total cemetery under contract.
Chattanooga	Trash removal; extermination.
Corinth	Extermination; open/closing graves.
Culpeper	Extermination.
Danville, Va	Extermination.
Fayetteville, Ar	Open/closing graves.
Fort Gibson	Extermination.
Fort Sam Houston	Trash removal; extermination.
Fort Smith	Extermination.
Houston	Extermination.
Jefferson Barracks	Trash removal; extermination.
Jefferson City	Trash removal.
Kerrville	Tree work.
Knoxville	Trash removal; open/closing graves.
Lebanon	Extermination; tree work; open/closing graves.
Lexington	Total cemetery under contract.
Little Rock	Trash removal; extermination.
Marietta	Trash removal; tree work.
Memphis	Trash removal; extermination.
Mill Springs	Trash removal; extermination and open/closing graves.
Mobile	Extermination; open/closing graves.
Mound City	Trash removal; extermination.
Mountain Home	Open/closing graves.
Nashville	Trash removal; extermination.

Natchez	Extermination; open/closing graves.
New Albany	Extermination.
New Bern	Extermination; open/closing graves.
Raleigh	Extermination; tree work; open/closing graves.
Richmond	Trash removal; extermination and tree work.
Salisbury	Open/closing graves.
Springfield	Trash removal; tree work.
St. Augustine	Extermination.
Staunton	Extermination; open/closing graves.
Wilmington	Extermination; open/closing graves.
Winchester	Extermination; open/closing graves.
Zachary Taylor	Trash removal; extermination and open/closing graves.
National cemeteries in San Francisco Area	*Types of contracts*
Fort Bayard	Total cemetery under contract.
Fort Logan	Trash removal; lawn and grass maintenance.
Fort Rosecrans	Trash removal.
Fort Scott	Extermination.
Fort Snelling	Extermination; equipment maintenance.
National Memorial Cemetery of the Pacific.	Extermination.
Riverside	Marker bases, graveliners, equipment maintenance.
Sitka	Total cemetery under contract.
White City	Trash removal.

FISCAL YEAR 1980 REPROGRAMMINGS

Mr. BOLAND. We are concerned about the 1980 estimates that were provided in last year's budget, as compared with the 1980 actual obligations. The following table shows some examples:

	Last year's estimate	1980 actual
Other services	$3,828,000	$4,217,189
Supplies and materials	1,580,000	1,925,233
Equipment	1,580,000	927,526
Land and structures	1,307,000	430,106

It is difficult to determine true need when funds can be shifted from one activity to another.

What caused the actual cost of these activities to vary from last year's estimate? You may detail the answer and provide that for the record, if you will.

[The information follows:]

DMA–GOE COMPARISON OF BUDGETED VERSUS ACTUAL AMOUNTS, FISCAL YEAR 1980

Costs	Fiscal year 1980 estimated in fiscal year 1981 Congressional Budget	Fiscal year 1980 actual	Actual versus budget
Other services [1]	$3,828,000	$4,217,189	+$389,189
Supplies and materials [2]	1,580,000	1,925,233	+345,233
Equipment [3]	1,508,000	927,526	−580,474
Lands and structures [4]	1,307,000	430,106	−876,894

[1] Not a true increase. Increase related to charging some projects budgeted in lands and structures to this account.

[2] Increase reflects the rising cost of fuel and petroleum (actual was $118,000 over budget) and higher than anticipated grounds maintenance supply costs ($229,000 over budget).

[3] Under spent primarily due to slippage in opening of Quantico and Bourne.

[4] Approximately half of this underage was charged to Other Services (see above). The remainder represents deferrals or elimination of projects at Bath, N.Y.; Black Hills, S.D.; Bourne, Mass.; and Memphis, Tenn.

Mr. BOLAND. That brings us to the Office of Data Management and Telecommunications. We like you so well we are going to call you back tomorrow.

CONGRESSIONAL CEMETERY

Mrs. BOGGS. Last year we left the Congressional Cemetery in a holding pattern.

Could someone please bring me up to date on developments there?

Mr. CORRADO. May I say there have been no new developments since the matter was last discussed. We still have on our hands the Comptroller General opinion which says we cannot spend appropriated monies absent legislative authority. I will have to get you that information for the record.

[The information follows:]

[Decision]

THE COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., May 1, 1979.

Matter of: Veterans Administration: Repair and Maintenance of Congressional Cemetery

Digest: Federal government owns approximately one-half acre of Congressional Cemetery, a 30 acre cemetery in Washington, D.C., the major part of which is owned by Christ Church, Washington Parish. Jurisdiction over government-owned portion was transferred from Army to Veterans Administration (VA) pursuant to National Cemeteries Act of 1973. While VA may use its operating expense appropriations to maintain government-owned portions, it is not authorized to use funds for repair and maintenance of the private areas on theory that they are necessary, proper or incident to repair and maintenance of government-owned areas. Such expenditures would also violate the rule prohibiting permanent improvements of private land in the absence of statutory authority.

The Administrator, Veterans Administration (VA), has requested our decision on whether funds appropriated to the VA by the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1979, Pub. L. No. 95-392 (September 30, 1978), 92 Stat. 791, 802, are available to maintain and enhance the Congressional Cemetery located in Washington, D.C. For the reasons discussed below we conclude that the funds are available only with respect to the government-owned parts of the Cemetery.

The Congressional Cemetery was established by private individuals in 1807 and conveyed without cost to Christ Church, Washington Parish, in 1812. In 1817, the Vestry of the Church assigned 100 burial sites within the Cemetery for use of the United States. Subsequently, a number of prominent Americans, including members of Congress and government officials who had died in Washington, were buried in the Cemetery. In fact, Congressional Cemetery served as the national cemetery until Arlington National Cemetery was established after the Civil War. S. Rep. No. 94-1154 (on S. 3441), 94th Cong. 2d Sess. 1-2 (1976).

The majority of the plots in the Cemetery are owned by Christ Church and private individuals. A relatively small number, some 806 non-contiguous lots, occupying a total of less than half an acre out of the thirty acres comprising the Cemetery, are owned by the Federal Government. The last interment made in one of the Government plots was in 1902. The Cemetery has been described as a "museum of 19th century sculpture and a study in the evolution of mortuary sculpture over the last 150 years." Hearings on S. 3441 before the Subcommittee on Parks and Recreation of the Senate Committee on Interior and Insular Affairs, 94th Cong. 2d Sess. 84 (1976) (statement of Senator Hugh Scott). Recently, however, its condition has deteriorated. Waist-high weeds, vandals, roving wild dogs and snakes have been cited as current elements of the deterioration.

The fiscal year 1979 VA appropriations (Pub. L. No. 95-392, *supra*), do not include a specific appropriation for Congressional Cemetery. However, the appropriation entitled "General Operating Expenses" provides in part as follows:

"For necessary operating expenses of the Veterans Administration, not otherwise provided for, including * * * cemeterial expenses *as authorized by law*, * * * $615,964,000." (Emphasis added.)

The bill reported by the House Appropriations Committee included funds for the Congressional Cemetery. The report noted:

"Finally, within the funds provided, $225,000 is included for repair and renovation of the Congressional Cemetery at Washington, D.C." H.R. Rep. No. 95-1255, 95th Cong., 2d Sess. 48 (1978).

Specific funding for Congressional Cemetery is not mentioned in either the Senate Appropriations Committee report (S. Rep. No. 95-1060) or the conference report (H.R. Rep. No. 95-1569).

The VA Administrator, in his request for our decision, states:

"While we understand and wish to comply with the intention expressed in House Reports No. 95-1255 and 95-506, my General Counsel has tentatively concluded that the Veterans Administration is without legal authority to expend such funds for the maintenance of private property. This determination is based on the well-established rule that appropriated funds cannot be used for *permanent* improvements on private property in the absence of express statutory authority. * * *

From a review of the relevant statutes, the General Counsel has concluded that the requisite specific authority required in order to authorize the expenditure of appropriated funds on private property does not exist in this case.

"The Veterans Administration is authorized under the general authority found in section 1004(e) of title 38, United States Code, to contract for the care and maintenance of cemeteries under the Administrator's jurisdiction. But Congressional Cemetery, except for a small one-half acre plot, is not under our jurisdiction. Furthermore, in the VA's current appropriation act, there is no specific authorization which could deemed to permit the expenditure of appropriated funds for the privately owned portion of the Congressional Cemetery.

"Finally, we believe that we cannot justify the expenditure of this money under the theory of maintaining and enhancing the aproximately one-half acre of Government-owned plots in the 30-acre Cemetery by improving the condition of the surrounding private areas. In view of the rather meager expenditures which were made for the care and maintenance of the Government plots last year, approximately $2,000, and the tremendous undertaking required to revitalize the private portions of the Cemetery, an expenditure of $225,000, would raise serious legal questions."

In our opinion, the question presented requires examination of the following areas:

(1) the VA's statutory authority with respect to Congressional Cemetery; and

(2) the extent to which the VA may expend funds for repair and maintenance of the privately-owned parts of the Cemetery as expenditures necessary, proper or incidental to its authority over the government-owned areas.

I. VA'S JURISDICTION OVER CONGRESSIONAL CEMETERY

We agree with the VA that it does not have jurisdiction over the entire Cemetery but only over those lots and plots owned by the government. From 1902 to 1973, the War Department (Department of the Army) maintained the government-owned lots. The National Cemeteries Act of 1973, Pub. L. No. 93-43, 38 U.S.C. § 1000 et seq. (1976) transferred jurisdiction from the Secretary of the Army to the VA of certain National Cemeteries and "any other cemetery (including burial plots), memorial, or monument under the jurisdiction of the Secretary of the Army * * * which the President determines would be appropriate in carrying out the purposes of this Act." Pub. L. No. 93-43, § 6(a)(1), 87 Stat. 81. Pursuant to this provision, the VA assumed jurisdiction over the government-owned portion of the Cemetery on September 1, 1973. Congressional Cemetery as a whole was not considered to be a National Cemetery within the meaning of the Act. Indeed, the Senate Report on the bill which become Pub. L. No. 93-43 stated:

"As part of the study [Comprehensive Study of the VA Administrator], the Committee also desires that the Administrator give close consideration to acquiring as part of the National Cemetery System the Congressional Cemetery consisting of approximately 30 acres * * *. The Congressional Cemetery is now owned by Christ Church, Washington Parish * * *. Further information received by the Committee indicates that because of numerous high priority projects and limited grant funds, it appears unlikely that funds can be provided for the rehabilitation of the Congressional Cemetery within the foreseeable future. Accordingly, the Committee believes that acquisition of this cemetery within the National Cemetery System would

appear to be quite appropriate." S. Rep. No. 93-55, 93d Cong. 1st Sess. 1973 U.S. Code Cong. & Ad. News 1401, 1416.

Also, subsequent to the transfer of the government-owned portions of the Cemetery to the VA, legislation was enacted 1976 authorizing the Architect of the Capitol to:

"[P]erform such work as may be necessary to prevent further deterioration of, and to maintain, those sections of * * * Congressional Cemetery which are of historical significance, including those sections in which former Members of the Senate and House of Representatives are buried, and including any such work in the remainder of the cemetery as he determines to be necessary to protect the historical sections." Pub. L. No. 94-495 (October 14, 1976), 90 Stat. 2373. Pub. L. No. 94-495 further authorized the appropriation of $175,000 for fiscal year 1978 and $75,000 for fiscal year 1979 for the maintenance and preservation work. An additional $50,000 for fiscal year 1978 was authorized to be appropriated for a study "for the purpose of determining the continuing maintenance and preservation needs for those historical sections of the Congressional Cemetery."

The Senate Appropriations Committee included $225,000 for the Architect of the Capitol to restore and maintain the historic sections of the Congressional Cemetery in the Legislative Branch Appropriatoins bill for fiscal year 1978 (H.R. 7932) pursuant to Pub. L. No. 94-495. S. Rep. No. 95-338, 95th Cong. 1st Sess. 60 (1977). However, the funds were never appropriated. Both the House Appropriations Committee and the Conference Committee specifically denied the funds. The conference report stated:

"The Conferees are also agreed that the restoration and upkeep of the Congressional Cemetery is not a matter that should be funded in the Legislative Branch Appropriation bill and [have] denied the request without prejudice."

H.R. Rep. No. 95-506, 95th Cong., 1st Sess. 7 (1977). See also the report of the House Appropriations Committee, H.R. Rep. No. 95-450, 95th Cong., 1st Sess. 32-33 (1977).

II. VA'S AUTHORITY TO EXPEND FUNDS ON CONGRESSIONAL CEMETERY

The Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1979, *supra*, appropriated funds to the VA, among other things, for "*cemeterial expenses as authorized by law.*" (Emphasis added.) The only law that authorizes VA to do anything with respect to Congressional Cemetery is the National Cemeteries Act of 1973, and, as discussed above, the VA's jurisdiction under that Act is limited to the government-owned portions.

Section 628 of 31 U.S.C. provides: "Except as otherwise provided by law, sums appropriated for the various branches of expenditure in the public service shall be applied solely to the objects for which they are respectively made, and for no others."

This does not mean that every expenditure must be expressly provided by statute. We have long recognized that, where an appropriation is made for a particular object, by implication it confers authority to incur expenses which are necessary or proper or indicent to proper execution of the object unless there is another appropriation which makes more specific provision for such expenditures. *E.g.*, 55 Comp. Gen. 872, 875 (1976).

The VA asserts that it cannot justify expenditure of funds out of its general operating expenses "under the theory of maintaining and enhancing the approximately one-half acre of government-owned plots in the thirty acre Cemetery by improving the condition of the surrounding private areas." We generally give considerable weight to an administrative determination of necessity made by the agency responsible for implementing a statute. Here, the VA has concluded that it cannot make such a determination, and we agree. In our opinion repair and maintenance of the entire Cemetery cannot be justified as necessary for upkeep of the government-owned areas. Each plot is a separate unit, and, for most purposes, can be maintained individually. Further, we cannot find that repair and maintenance of the entire Cemetery is a mere incident to the repair and maintenance of the government-owned areas. The government's proprietary interest in the Cemetery is rather small, approximately a half-acre of thirty, that half-acre dispersed throughout the Cemetery. The improvements that have been suggested-landscaping, drainage and security installations among others, in our view would primarily benefit the private owners and would involve disproportionately large costs in comparison to the cost of maintaining the government-owned plots.

In addition, there is a longstanding rule, *e.g.*, 6 Comp. Dec. 295 (1899), that appropriated funds may not be used by a government agency for the permanent improvement of privately-owned property in the absence of express statutory authority. 53 Comp. Gen. 351 (1973). This rule is based on the principle that no

government officer is authorized to give away government property in the absence of specific legislation. 38 Comp. Gen. 143, 145 (1958). However, such improvements are not prohibited in all cases, and exceptions have been recognized in certain situations, as summarized below:

"A number of limited exceptions to the rule have been made over the years when it appeared that the granting of such an exception would prove particularly advantageous to the Government. * * * In each instance, before granting the exception, we determined that (1) the improvements were incidental to and essential for the accomplishment of the purpose of the appropriation; (2) the cost of the improvement was in reasonable proportion to the overall cost of the lease or contract price; (3) the improvements were used for the principal benefit of the Government; and (4) the interest of the Government in the improvements was fully protected." 53 Comp. Gen. 351, *supra*, at 352.

As noted above, the improvements in this case would primarily benefit the private owners, and their cost would be disproportionately large in relation to the cost of maintaining the government-owned portions of the Cemetery. Thus, we do not believe the necessary criteria exist to justify an exception to the rule in this case.

Finally, it is true that on several occasions in the past, the Congress did appropriate funds for the repair and improvement of Congressional Cemetery. However, unlike the appropriation in this case, those appropriations either were limited to the government-owned plots, 4 Stat. 520 (1832), or the statutory authority for the repair was explicit. 11 Stat. 88 (1856); 17 Stat. 111 (1872).

In view of the foregoing, we conclude that the VA may not use its operating expense appropriations for the repair and maintenance of the privately-owned portions of Congressional Cemetery without specific statutory authority. This authority may take the form of authorizing legislation for the Veterans Administration specific language in an appropriation act.

R. F. KELLER,
Deputy Comptroller General
of the United States.

Mr. BOLAND. The Committee is adjourned, and will reconvene at 10:00 a.m., tomorrow.

WEDNESDAY, March 11, 1981.

Mr. GREEN. Good morning. The Chairman is tied up, so he has asked me to open the hearing.

OFFICE OF DATA MANAGEMENT AND TELECOMMUNICATIONS

Mr. GREEN. We will start with the ODM&T. You are requesting $70,443,000 and an average employment of 1,911 in 1982 for the Office of Data Management and Telecommunications. This is an increase of $7,932,000 and a decrease in average employment of 62 from 1981. The 1982 Reagan budget request is $3,179,000 and 140 staff years below the 1982 Carter budget request.

Could you briefly explain the difference between the two proposals, and indicate what you will not be able to do that you had originally proposed?

CLOSING OF ST. PAUL DPC

Mr. MARTIN. Mr. Green, the basic impact on fiscal year 1982 comprises what you read off there, the closure of the St. Paul Data Processing Center, the reduction of the 140 FTE and a reduction of $3 million in costs. There are one or two other items that come about as a part of the travel reduction, the equipment freeze and reductions there. They amount to minor sums: about $88,000 in travel, $120,000 in equipment reduction are the main factors, and personal services.

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I think it appropriate to point out that although the St. Paul closing is equated to 140 positions, I would like to make it quite clear that we will not be able to save 140 positions simply by closing the St. Paul Data Processing Center. There will be required to remain at St. Paul approximately 25 people to manage some of the unique systems that serve the hospital there, and Ms. Starbuck's insurance operation. That leaves us a much smaller universe to work with. We start with 170 people, subtract 25, and we try to save 140. With what is left you can see the kind of dilemma I am in.

We are talking about saving 90 jobs, that means 50 jobs must come from somewhere else.

We are already down to marginal staffing in operations. These are the people who maintain and run our current operating systems for all the major users in the VA. Obviously, 50 jobs will come then by spreading out, stretching out, I should say, our implementation of new initiatives scheduled in 1982. We are constrained for instance to redesign our payroll system which covers the payment for every employee in the VA.

We have 15 people to get on with the design of that system. We are getting demands now that we cannot meet because of civil service reform and many, many other State and Federal Government requirements for reports from personnel files. There will have to be some reduction there. There will probably be a reduction in manpower tracking, some adjustment in the pharmacy which I am very reluctant to do because this is a vitally important new initiative for us. Agent orange is a very fundamental mission that we must get on with in fiscal year 1982. I would not like to touch that investment level.

These are some of the areas that will have to be looked at very carefully in terms of absorbing upwards of 50 positions which in no way can come with the closing of St. Paul.

Mr. GREEN. Provide those specific areas where savings will occur.

Mr. MARTIN. Yes.

[The information follows:]

Savings of 50 positions

Delay implementation of pharmacy	14
Delay manpower tracking	1
Delay PAID redesign	7
Consolidation of data entry workload	10
Reduce administrative support positions from central office, each DPC and the CDC	18
Total	50

ALTERNATIVES TO CLOSING ST. PAUL DPC

Mr. GREEN. What would happen to your request if St. Paul were not closed?

Mr. MARTIN. I feel that ODM&T would be asked to take its proportionate cuts like everyone else and if we did not close St. Paul, my apprehension would be that we would be required to save 140 anyway.

I would like to point out, too, I think with all the other adjustments that face the Veterans Administration, there is no question

that our business in designing new automated systems is going to represent a booming year next year, and I feel very concerned about reducing a single job at this point.

Mr. GREEN. If the Committee restored the funding for the St. Paul facility, would you consider it unlikely that OMB would give you the positions?

Mr. WILSON. It has been made very clear to all of us that if restoration takes place in specific items, we would have to be required to look for reductions elsewhere.

Mr. GREEN. Do you expect the St. Paul facility to close before 1982 begins?

Mr. WILSON. I think we would have to begin the closing as soon as possible. Each day you go into 1982 makes the problem more pronounced. We have to study again and again the cost of closing, and there are costs associated with closing. We would have to determine where the money would come from to accomplish that.

Mr. GREEN. You estimated an increase of $200,000 for shipment of household goods for fiscal year 1982 prior to the March revision and the closing of the St. Paul facility. What change if any, has occurred in this item, and why is the increase so large?

Mr. MARTIN. As a result of St. Paul?

Mr. GREEN. Yes, and as a result of the major revision. Also, why was the expense so high even before the closing of the St. Paul facility?

Mr. MARTIN. Relocation costs come to about $500,000 incident to the closing of St. Paul. In answer to your question of why the cost was so high to begin with, we have an internal management initiative that we are also implementing and that relates to a Centralized Development Center which we established in Austin, Texas. It is designed to give us greater productivity, with a saving of about 57 people which is recorded in the 1982 budget.

Mr. GREEN. Basically, I understand you are saying that it would not make any difference if the Committee added the funds for St. Paul—you would still target the St. Paul center as the best place to absorb these cuts, and would probably close down the center partially before the 1982 funding decisions are final.

Mr. WILSON. That is correct, Mr. Chairman. The alternative would be to find some other place to get those positions. It would be very, very difficult to get those positions other than from the closing of the St. Paul office.

CENTRALIZED DEVELOPMENT CENTER

Mr. GREEN. Let me return to the Centralized Development Center. The paragraph in the center of page 1-77 states:

> Current planning is to establish a Centralized Development Center which will ultimately have the responsibility for all computer programming—both development of new systems and maintenance of old systems. This center is to be co-located with the Austin Data Processing Center.

Explain the Centralized Development Center concept.

Mr. MARTIN. I have my director of the Austin Development Center here this morning. I would like to begin this and then turn it over to Mr. Acklen to give you more specific details.

Computers are becoming relatively inexpensive in our business. The cost of people is skyrocketing, particularly systems develop-

ment people. Presently, because of limitations in the state of the art, we have an organization that is no longer as efficient as the state of the art would permit us to be today. What this proposal contemplates is to take scarce development skills from central office and from five data processing centers and to centralize them as a single development resource in one place.

There is a management study which indicates how we selected Austin. There were several factors: the cost of living, the labor market, the ability to recruit the kinds of skills we need, the turnover rate, and space cost.

The concept has been proven many times over. We are absolutely convinced this will give us a substantial increase in productivity as well as much more manageability in terms of relating to agency priorities and in getting the work under control and produced in a quality fashion.

Every data processing center will be impacted. We visualize our centers as having a single mission in the future. They have both operating and development responsibilities today. They often come into conflict locally. What we envision for the future is as pure an operating environment as we can achieve with a concentration of development skills in Austin.

Mr. GREEN. Will this ultimately save on employment?

Mr. MARTIN. This will save 57 FTE in 1982. We anticipate as we get into additional new design work, new projects and redesign of some of our older systems, that the figure will grow in terms of cost avoidance.

Mr. GREEN. Is any data processing center other than St. Paul scheduled to be closed?

Mr. MARTIN. No, sir.

Mr. GREEN. Will various functions be transferred between data processing centers? If yes, how many positions would be involved in each transfer, and in what time frame would this take place?

Mr. MARTIN. Let me make quite clear that our management study was not the implementation plan. We made a conscious decision that we would share this implementation document in collaboration and in participation with each of the data processing centers affected. We are at work on that now. We had some initial visits to the Hines, Illinois, data processing center, a couple of weeks ago. We are determining on a sensible, prudent basis what should go and what should remain. There are some hard decisions to make as you might imagine.

Our management study estimated there to be savings of 11 FTE from Austin, 32 from Hines, one from Los Angeles, six from Philadelphia, 11 from St. Paul, and in central office audit, a savings of seven people an add-back of 11 for administrative functions and you come to a total of 57.

Mr. GREEN. Except for the administrative overhead, these are the people who have been doing the computer work?

Mr. MARTIN. Yes.

Mr. ACKLEN. In 1974, we had nine data processing centers. We now have five, and if the 1982 budget goes through we will have four. We have always been unable to have all the programmers at the proper location at the proper time. But with the concept of the development center we will be able to have them in one location.

In relation to the Austin Center, we will be able to utilize existing space through fiscal year 1981. We will be able to use personnel administrative support service and personnel services presently in Austin. They already have a lot of employee services there that we will be able to take advantage of.

D.M.S. APPLICATIONS

Mr. GREEN. Last year's Conference Report added $900,000 for 43 staff years above the budget request to implement functional computer systems. How are those resources being utilized? Have the additional employees been hired?

Mr. MARTIN. We were pleased that the Committee added these funds in support of two very vital initiatives relating to automation for the Department of Medicine and Surgery.

Thirty-three of those positions are slotted to support a new pharmacy system which ultimately will serve 156 VA medical centers.

The plan is to convert one station and have it operational this fiscal year at Chicago West Side Medical Center. In fiscal year 1982, we have a schedule which calls for the servicing of several Medical Districts, namely District 10, 14, 18 and 26. We expect to install the program at 22 pharmacy sites by the end of fiscal year 1982. For each host site, there will be a requirement for eight operating people. That comes out to a total of some 66 FTE in fiscal year 1982. Of the 33 positions slotted for the Pharmacy System, we were able to hire nine employees before the hiring freeze. These people will be used to support District 17 Pharmacy Operation and to staff the Computer Support Center at Hines. As soon as the freeze is lifted, we will recruit for the remainder.

We are also under an equipment freeze. I think it is well to say at this point that we will not be able to proceed with what I think is one of the most important initiatives that we have had in recent years. We will not be able to proceed until we gain an exemption to the present freeze that has been imposed on the Federal Government.

Mr. GREEN. That is apart from the general limitation?

Mr. MARTIN. Yes.

Mr. WILSON. I am advised the OMB is lifting the freeze.

Mr. GREEN. That affects the ADP freeze?

Mr. WILSON. Yes.

Mr. GREEN. Does your new ceiling prevent the 43 staff years to be added?

Mr. WILSON. My memory serves that it does not.

HOSPITAL AUTOMATION

Mr. MARTIN. I talked about 33 people; there are 10 remaining that we are devoting to another important initiative, and that is the demonstration and exploration of function and/or integrated approaches to automation in a given hospital. We are well along on our plans for that initiative. It is not a substitute, it is a parallel approach to what we are doing in pharmacy and other interim systems.

Mr. GREEN. What do you mean by integrated?

Mr. MARTIN. Dr. Custis, help me if I go astray in your professional area.

Some of the basic things that center in the admissions office, that center on automation and give us control of patients and obviously improvement in patient care are four: 1) admissions, transfer, discharge; 2) pharmacy; 3) clinical laboratory; and 4) registration and scheduling.

These are the things that you must attend to when the patient comes through the front door. He has to get his laboratory tests set up, his pharmacy drugs ordered, you have to schedule him for various clinics, and all this can be done on an automated, integrated basis.

With all four of these, linked to each other, supporting each other, we can have better control, we know where the patient is, and we can serve him quickly.

[CLERK'S NOTE.—The Committee was advised that the 43 staff years for which the 1981 Conference Report added $900,000, were subject to the freeze. The new personnel ceiling allows these same staff years.]

Mr. GREEN. The Conference Report also mentioned $475,000 to allow ODM&T to participate in the Health Care Information System planning.

How is ODM&T using that $475,000?

Mr. MARTIN. In dealing with long-range plans, we have an arrangement which requires a team approach. ODM&T are the technical people, Dr. Custis has the requirement for defining functional requirements, what it is he wants to do in hospitals. I have the job then of converting that into a technical solution that serves his purpose.

We have two efforts that we propose to begin this year. The first will involve DM&S in the release of an RFP for the methodology for selection and validation of VA systems and commercially available systems.

The second effort will involve ODM&T in the release of an RFP, hopefully by the end of this fiscal year, to acquire an integrated system demonstration, perhaps at two VA Medical Centers, that will be evaluated by the methodology established via the DM&S RFP.

COMMERCIAL ADP SYSTEMS

Mr. GREEN. Obviously we want to be careful not to reinvent the wheel for the medical systems. There are many commercially available systems now operating successfully in hospitals all over the Country. Have you looked closely at these systems?

Mr. MARTIN. We have looked at many, many systems over the last couple of years. The DM&S RFP I just referred to will develop a methodology to further evaluate them. We have had, frankly, considerable difficulty in winding our way through the budget process so those kinds of proposals can be discussed.

There are all kinds of Federal procurement and acquisition requirements that constrain us in terms of moving directly into a vendor supplied system and in effect saying I want some of that.

Mr. GREEN. Why is it harder to do that than to invent your own system?

Mr. MARTIN. Sometimes I think it is probably easier to invent our own system. There are many competing off-the-shelf systems, and most of them are extremely good in terms of potential refinement for the VA.

We in the VA have seen these and looked at them for years and have done our level best to find a way to take advantage of them. Within the last couple of years, we are, I think, just beginning to find our way clear to begin to do that.

Mr. GREEN. For the record, please provide a description of that history and the obstacles you encountered in dealing with the Federal procurement regulations. It seems to me that something is wrong if we can't take advantage of systems which have already been established.

[The information follows:]

The VA encountered significant difficulties in the procurement of functional solutions with respect to OMB Circular A-109 and other related regulations for large scale systems. It has been difficult to convince GSA and OMB staff that the competitive procurement of functional systems for demonstration does not contravene the intent and objectives of OMB Circular A-109. These procurements have been perceived to circumvent the intent of A-109. For example, in fiscal year 1979 an automated scheduling system was competitively procured for demonstration at the Dallas VA Medical Center. This contract was terminated by the VA based on guidance from OMB. The official reason for the termination given by OMB was that there were no pre-award negotiations and that it duplicated an existing VA system. The perception appeared to exist that the procurement was in conflict with the pursuit of an A-109 Major System Acquisition for HCIS. Based on Congressional guidance provided in the fiscal year 1981 budget the VA is once again attempting to acquire commercially available functional and integrated medical ADP systems for demonstrations at VA medical facilities in order to meet the short-term critical ADP needs of the VA health care system.

HEALTH CARE INFORMATION SYSTEM

Dr. CUSTIS. A view limited to DM&S, although I hope not, is that we have just about despaired of any effort to design our own system. I say this in all deference to Mr. Martin.

His references to the difficulties in the matter of procurement in the Federal system, I think are well known to this Committee. The testimony last year outlined in some detail these difficulties. The Department quite frankly hopes that the Administrator will take a retrospective look at these difficulties and reconsider the decision of whether to bring under OMB Circular A-109, the ADP needs of the DM&S health care system.

A-109 POLICY GUIDANCE

Mr. GREEN. Would you help me on A-109? I am a newcomer.

Dr. CUSTIS. That is a directive which specifies what procedures one must go through in developing a large system of any kind, whether it be an F-14 or a computerized system for health care.

Mr. GREEN. That is an OMB directive?

Dr. CUSTIS. Right. Our effort in conformance with A-109 is called HCIS, not to be confused with the so-called interim solution, which addresses functional modules urgently needed for patient care, which we have reason now to put more and more hope in. It is the guidance that this Committee has given us that we are so enthusiastic about. Mr. Martin alluded to this, but I think the record should properly show a little more emphasis on the promise this Committee has given us. Could I defer to Dr. Klainer and Mr. Herb Mulqueen?

Dr. KLAINER. Mr. Chairman, we are very pleased with the guidance and support we have been given by the Committee in moving toward solving many of the problems that we have. We have a plan and we are working closely with the Office of Data Management and Telecommunications and following closely the mandate this Committee has given us.

Mr. BOLAND. Let me ask a few questions about the planned Health Care Information System (HCIS).

What is in the ODM&T budget for developing and operating computer systems for the VA medical centers? How many additional staff have been requested for this work? For the record, provide a tabulation of where the additional staff will be located and what their assignments will be. Also, include in that the staff assigned to these jobs since fiscal year 1979 by fiscal year.

[The information follows:]

We currently have $700,000 and 15 FTE in the fiscal year 1982 budget. These resources will be used to support the evaluation of vendor proposals for the integrated hospital system resulting from the request for proposal mentioned earlier and for the evaluation of a follow-on pilot demonstration at one or two medical centers. This staff would be initially located at the VA Central Office and perhaps later at the demonstration site(s).

HCIS has, since 1979, been an unfunded effort which we have supported on a part-time basis with the equivalent of less than one full-time employee.

Mr. BOLAND. Have you and DM&S worked out the chain of command on developing and operating medical center computer systems? We remember a similar question with the TARGET system.

MINICOMPUTER FOR MEDICAL CENTER

Mr. MARTIN. Yes, we are in total agreement with the plan. We have management responsibilities thoroughly fixed.

Mr. BOLAND. You have purchased several minicomputers over the past several years for the medical centers. They are for the pharmacy system, and I understand you have plans to install clinical laboratory and scheduling systems on some of them.

How many of these minicomputers are there?

You may supply it for the record if you do not have that information readily available.

[The information follows:]

The VA has 19 minicomputers that will be used to operate pharmacy systems that will serve 156 VA health care facilities. All of these computers are planned to be dedicated to processing only the pharmacy application.

Eight other computers are being used to enhance the Clinical Laboratory system already in existance at eight separate VA Medical Centers. These computers will support the Clinical Laboratory, A&D and Scheduling applications at these sites. We have one other minicomputer which will be used to test and demonstrate the CLINLAB, A&D and Scheduling modules.

MINICOMPUTERS FOR PHARMACY

Mr. BOLAND. Do you have any money in this budget to purchase or lease additional minicomputers for these medical center systems and if so, how much?

Mr. MARTIN. In fiscal year 1982, a total of $1.7 million is included which is for terminals to permit additional districts to expand the pharmacy system in 1982. We have no money for additional computers.

Mr. BOLAND. How many minicomputers have you purchased or do you plan to purchase for these purposes?

Mr. MARTIN. The computers have been procured. The additional funds we are requesting are for terminals and communication facilities to link up the hospitals that will participate in the pharmacy system.

INTEGRATION OF MINICOMPUTERS INTO HCIS

Mr. BOLAND. Well, if you decide in the future to install comprehensive Health Care Information Systems, won't this investment in computers be wasted?

Mr. MARTIN. No, sir. We have a very encouraging cost-benefit report, that was produced a short time ago which shows something over $50 million savings over the life cycle of this system, $28 million discounted. When we talk about interim systems, let us assume that somehow we manage to get on with an integrated hospital system of which pharmacy is one component. It will take a number of years to export that kind of system to cover the entire Department of Medicine and Surgery field establishment. It is our plan that as these begin to be implemented, the pharmacy computers which are labeled as interim will be assigned to hospitals lower on the priority list, and by the end of ten years, the pharmacy systems will be serving the smallest and lowest-priority hospitals, after which time they can be incorporated as part of the equipment in HCIS.

Mr. BOLAND. Can they be incorporated?

Mr. MARTIN. One of the things we will be asking for in an RFP is that very question.

PHARMACY SYSTEM VERSUS HCIS

Mr. BOLAND. I can understand what you are saying. It appears to make sense, but if you go ahead and install these functional single-purpose medical computer systems and simultaneously evaluate the multi-function HCIS-type system that will require larger main frames, there is real potential for waste and disruption, is there not?

Mr. MARTIN. If you incorporate four subsystems, obviously you are talking about a larger piece of gear. There is no potential for waste here. We have had great difficulty, I think, in describing to OMB that these are two separate initiatives we are now trying to put in place. We have a critical need, and this is what we are trying to satisfy with the pharmacy and with scheduling and some other things that are on the drawing board now. We know they are not the ultimate technical solution, but they will be cost beneficial over the life cycle.

C.P. & E. TARGET SYSTEM

Mr. BOLAND. Let us turn to TARGET. I notice the special TARGET section of the justification has been deleted.

Is that because the TARGET system is operational?

Mr. MARTIN. That is correct.

Mr. BOLAND. What is the current status of the TARGET system?

Mr. MARTIN. It was installed last October. In terms of those we

are committed to install, user acceptance is enthusiastic. We are processing more than a million transactions a week, response time is excellent, reliability in terms of equipment up time is averaging well over 90 percent. We are very pleased with the system, and I think Ms. Starbuck would confirm that, but that is not to say that we do not have many more valuable applications that we must add. I think particularly with many of the budget reductions we are facing now we are going to have great pressure for the development of additional targeted subsystems.

Mr. BOLAND. For the record, supply us with a schedule of when each milestone of this project approved by this Committee either was completed or is scheduled to be completed. In that schedule, also insert the date that was projected for that milestone in the TARGET plan approved by the Committee.

[The information follows:]

TARGET MILESTONES

The Target contract was awarded on October 25, 1977. From that time until August 1978, both the Government and the contractor exercised options to delay particular dates of installation because of various logistic problems. On August 30, 1978, the Chicago RO began live inquiry operation (Phase I). Due to many system software problems it was decided that a period of evaluation of overall readiness was necessary. Concurrently, the Central Region RO's were phased into operation, until all were online by February 12, 1979. The April 1979 report of readiness met with the approval of the House Appropriations Subcommittee, and a new schedule or remaining installations was approved. This schedule called for the Western Region to be phased into operation during May–June 1979 and the Eastern Region during June–July 1979. Additional problems with contractor system software caused further delays from July until September 1979 in the Eastern Region. However, by the end of October 1979, all RO's were successfully using Phase I facilities. The Philadelphia and Baltimore RO's had begun claims processing (Phase II) operations in May 1979. Further expansion of Phase II was delayed as a result of both Phase I delays and the need for additional contractor software facilities such as enhanced terminal controller firmware and Level/6 print queuing. These facilities were provided in October 1979 at which time the Chicago RO began Phase II operation. Subsequently, the RO's were phased into Phase II operation, and all were in full production by October 1980.

MILESTONE PLAN

Site/Region	Begin operations projected start	Date actual start
TCS (Hines)	July 1978	August 1978.
RDPC (Hines)	July 1978	August 1978.
RO's region II (Phase I)	July 1978	August 1978.
RDPC III (Los Angeles)	November 1978	May 1979.
RO's region III (Phase I)	November 1978	May 1979.
RDPC Region I (Philadelphia)	December 1978	February 1979.
RO's region I (Phase I)	December 1978	May 1979.
RO's region II (Phase II)	January 1979	October 1979.
RO's region III (Phase II)	May 1979	November 1979.
RO's region I (Phase II)	June 1979	May 1979.

Mr. BOLAND. Also, how many TARGET computers including minis are there, and where are they located?

[The information follows:]

There are four large Honeywell computer systems in the Target network. Three RDPC's located in Philadelphia, Hines and Los Angeles and one TCS which is located at Hines. Although BIRLS was not included in the Target procurement, it

also should be considered an integral part of the network. BIRLS is located at Austin, Texas and processes on an IBM 370/168.

There are a total of 108 Honeywell Level 6 minicomputers distributed throughout the 57 Regional Offices and Central Office. This equipment provides the telecommunications control functions for the network. Additionally, there are five specially built microprocessors in Austin which do the telecommunications protocol conversion necessary to allow the IBM and Honeywell computers to communicate with each other. Finally, there is a stand-alone Honeywell processor which is used for test and development at Hines.

SAVINGS FROM TARGET SYSTEM

Mr. BOLAND. The TARGET system was to achieve a savings of about $200 million over a ten-year period. Is this $19,395,000 and 1,494 staff years saving for 1982 still valid? If not, why?

Mr. MARTIN. Yes, sir, but I would defer to Ms. Starbuck.

Ms. STARBUCK. The Department of Veterans Benefits has reduced its employment in 1979, 1980, and 1981 by the commitment made in the cost-benefit study.

Mr. BOLAND. What about the savings in staff years that came to 1,494.

Ms. STARBUCK. We have taken those cuts up front in each budget year.

Mr. BOLAND. Last year, the total TARGET cost through 1983 was estimated at $149.5 million. That was an increase of $900,000 over the previous year's estimate.

What is the total TARGET cost through 1983 estimated to be now?

Mr. MARTIN. May I provide that for the record?

Mr. BOLAND. Yes, you may.

[The information follows:]

The $900,000 increase was entirely an adjustment to personnel costs reflecting the October 1979 pay raise. The updated table would show the new estimates through 1983. It should be noted that we have similarly adjusted the personnel costs to reflect the October 1980 pay raise.

Mr. BOLAND. Provide for the record an update of the table in last year's justification book on total TARGET system costs.

[The information follows:]

CP&E TARGET SYSTEM COSTS 1/
FY 1973 - 1983
(dollar in thousands)

	1973 to 1980	1980	1981	1982	1983	TOTAL
PERSONNEL SERVICES	$ 25,201	$ 10,098	$ 11,853	$11,962	$ 12,072	$ 71,186
TRAVEL	1,099	156	160	160	160	1,735
CONTRACTUAL SERVICES	13,927	1,381	500	120	120	16,048
COMMUNICATIONS	4,971	2,798	3,250	3,483	3,483	17,988
TERMINAL SYS EQUIP	2,124					2,124
TERMINAL SYS MAINT	387	2,085	2,331	2,564	2,564	9,931
OTHER	2,460	713	919	919	919	5,930
SITE PREPARATION	2,744					2,744
COMPUTER SITE	1,123					1,123
RO's	1,621					1,621
ADP	11,244	1,680	1,780	1,958	3,958	20,620
COMPUTER RENTAL	11,244	350				11,594
COMPUTER MAINT		1,330	1,780	1,958	3,958	9,026
ADP PURCHASES	15,667	1,206				16,873
COMPUTERS	6,912	1,206				8,118
TERMINAL SYS EQUIP	8,755					8,755
ALL OTHER	1,613	640	820	820	820	4,713
TOTAL	$ 76,466	$ 17,959	$ 18,363	$ 18,503	$ 20,613	$151,904

1/ The total cost of $149.5 million through 1983 includes $82.4 million for development costs plus $61.1 million for operations.

Note: The Personal Services increase in FY'81, 82 and 83 is to add the October 1980 pay raise.

TARGET SYSTEM WORKLOAD

Mr. BOLAND. Bring the Committee up-to-date on excess TARGET capacity.

Mr. MARTIN. I would like to make this comment: a great number of TARGET enhancements have been added giving some assistance to the Department of Veterans Benefits. As I mentioned, we are averaging more than a million transactions a week now. We calculate that we will be coming close to a critical capacity shortfall within the next few months. We are going to have difficulty I think in all candor in supporting the kinds of demands that I know will come from the Department of Veterans Benefits, to add additional applications to that system.

Mr. BOLAND. Are the demands unreasonable?

Mr. MARTIN. They are eminently reasonable.

Mr. BOLAND. I take it that you will not have sufficient capacity down the road if these demands continue to multiply.

Mr. MARTIN. What we need is another pair of CPUs, another pair of machines, they run in tandem, to support what we project are the workloads for the next two or three years.

Mr. BOLAND. What would be the cost of that?

Mr. MARTIN. The first year cost on a lease basis, approximately two million dollars.

Mr. BOLAND. How quickly can you get those on line?

Mr. MARTIN. With a minimum of delay.

Mr. BOLAND. Is there any money in the 1982 budget for this purpose?

Mr. MARTIN. No, sir.

Mr. BOLAND. There is none.

Give me the cost again.

Mr. MARTIN. $2 million.

Mr. BOLAND. You have no doubts that you will encounter a capacity problem at some time in the future, if the demands continue to increase?

Mr. MARTIN. In a system of this kind I think every professional would give you the same story. You have to calculate a large percentage of natural increase in demand because of the flexibility and usefulness of such a system. Applications are used that were never contemplated. I would like to give you a little example of what happened last month which gives me some concern about potential lack of capacity.

We had a hardware failure at our Philadelphia center which meant some 17 regional offices could not perform for a day and a half. When the system came back there was a period of heavy stress on the equipment in an effort to catch up. We determined at that time what the parameters of our limits were. We were down to a two-minute response time. This is not something that can be tolerated on an on-line system.

Mr. BOLAND. I have some additional questions that I would like you to answer for the record.

[The questions and answers follow:]

Question. Phase 2 of the TARGET system is now operating. Has it been installed in each regional office?

Answer. Yes, sir.

Question. Is the system fulfilling its objective—it was supposed to provide significant reductions in answering inquiries, establishing files and keeping them current, and adjudicating claims.

Answer. The system is fully satisfying all of the above mentioned objectives.

Question. How many transactions are being processed by TARGET each day?

Answer. In February 1981, the following number of transactions were processed on the average each day:

Eastern region	72,175
Central region	66,514
Western region	61,845

Peak hourly workload in excess of 10,500 being frequently experienced.

Question. Is that about what you projected?

Answer. The procurement's RFP indicated a peak hourly workload of 11,800 transactions that must be supported. This estimate included only transactions directly related to the performance of benefits inquiry and claims development functions, and did not include transaction workloads for ancilliary functions such as security file maintenance and password validation which do add a significant workload.

Question. How many transactions are being rejected or otherwise not getting through because of problems with the TARGET system?

Answer. One of the truly beneficial aspects of the Target System is that transactions are automatically edited prior to submission to the Hines DPC for processing in the cycles. When an input error or other edit problem exists, the system tells the terminal operator the problem on-line so that it may be immediately corrected. There are practically no problems in the system of the nature reflected by the question.

Question. What reductions in DVB cost and staffing have resulted from TARGET?

Answer. DVB has saved the following FTEE as a result of Target:

Year	FTEE	
	Savings	Comulative savings
1979	139	139
1980	742	881
1981	533	1,414
1982		1,414

These savings are precisely what was predicted in the March 1978 cost-benefit study.

Question. For the record, please supply an analysis of the year-by-year savings to DVB to date and what you project for the next several years.

Answer. Since all personnel savings projected in March 1978 cost benefit study have been achieved in a timely basis, Table 15 on Page 41 of that docoument is still valid. It projected the following:

DVB personal services savings

Fiscal year:	*Amount*
1979	$1,621,508
1980	10,376,156
1981	16,860,481
1982	17,430,271
1983	16,973,887
1984	16,492,578
1985	15,022,029
1986	15,769,872
1987	15,477,605
1988	15,329,490
Total	142,373,823

These figures are understatements, since the October 1979 and October 1980 pay raises have not been factored in. Furthermore, there has been no attempt to estimate the potentially significant cost-avoidances attributable to the additional

functions added to and proposed to be added to the Target System over and above those functions used to calculate the cost-benefit ratio.

Question. What kind of response time do your people get from the system?

Answer. In February 1981, the percentage of total transactions with response time under 5 seconds was:

	Percent
Eastern region	86.2
Central region	88.6
Western region	97.4

This reflects a degradation in responsiveness brought about by increased workload from just two months' prior, when the percentage was:

	Percent
Eastern region	95.2
Central region	93.5
Western region	96.8

Question. Is that satisfactory?

Answer. The response time has been acceptable. However, if this responsiveness of the system continues to decline in proportion to the growth in workload, as is expected, the system will become unacceptably slow to terminal users.

Question. What was the response time requirement when the system was designed?

Answer. The procurement's live test demonstration prescribed a requirement that 95 percent of the transactions have a response time of under 10 seconds.

Question. If there is a discrepancy between the design requirement and what you are now experiencing, please explain.

Answer. The current response time profile of the system approximates that of the procurement's performance requirements, in spite of the fact that we have incorporated functional capabilities, such as Improved Pension legislation, that were not originally specified in the RFP. The result is that we are nearing the practical limit of computer capacity on the RDPC's.

Question. As the system was being installed, we heard a lot of complaints about reliability—the amount of time the system was available to the end user. Have those problems been resolved?

Answer. Yes, the serious software problems that originally contributed to system unreliability have been corrected for some time. The majority of outages now experienced by an RDPC or the TCS are the result of such things as serious hardware failures, power failures, and the like. However, even these such failures are so rare that we have consistently exceeded a system availability of 95 percent for many months.

Question. What is the availability now? What percent of time is the system available to the end user?

Answer. The system availability of each RDPC and the TCS consistently exceeds 95 percent throughout the month, and most workdays, approach and attain 100 percent total availability throughout the processing day. There are, of course, infrequent instances of hardware failure and system software failure that render a system unavailable. There are also instances where only a portion of the online file is available because of a partially damaged disk media. Individual RO's are also susceptible to infrequent hardware failures that make Target unavailable at that individual office.

Question. What was the design requirement?

Answer. The design requirement was for system availability of 95 percent on a component basis.

Question. If there is any discrepancy, please explain.

Answer. The system is currently operating at or above the design requirement.

Question. Are there any problems in the current operation that need to be corrected?

Answer. From the technical perspective, we always strive for zero outages resulting from software failures. In a network as large and complex as this one, that goal can never absolutely be achieved. But our records over the past several months show that the combination of hardware and software outages together is running less than 3 or 4 percent, which speaks well the achievements we've made in stabilizing the system. The other technical problem or concern is the subject discussed earlier regarding the long term concern of the present hardware configuration to sustain the increasing workload brought about by additional functions or subsystems being added to the system.

Question. If so, describe what needs to be done.

Answer. As discussed earlier, a hardware augmentation will be required in the near future to accommodate the increased workload.

Question. When we approved the TARGET development, the long-range objective was to make it a completely on-line system. Is that still needed?

Answer. DVB's long-range requirement is for the master data base to be updated at least on a daily basis rather than the cyclic nature of the process today.

Question. How many C&P and Education cycles are now done each month?

Answer. Nine or ten Education cycles depending on the month. Eight C&P cycles per month.

Question. How many cycles were done before TARGET was installed?

Answer. Nine or ten Education cycles depending on the month. Nine C&P cycles per month.

So, we are currently processing the Education cycles at the same rate as before and running with one less C&P cycle.

Question. Has cycle processing improved? How?

Answer. The number of cycles processed per month has increased steadily since the conversion to Honeywell was completed. The initial conversion was a difficult process and required an adjustment in many of the procedures and techniques used in the processing. Since that time, we have continued to optimize the programs and improve operations. The nine or ten Education cycles now provided meet all requirements, however, we are still working to increase C&P to its previous level. Overall claims processing has improved because of TARGET by preprocessing the majority of the input through the online network prior becoming input to the cycle processing. This almost eliminate rejects thus avoiding the lengthy correction procedures.

Question. Has the TARGET system achieved its objectives for the number of monthly cycles needed to keep veterans accounts current?

Answer. There was no specific objective for Target to process a certain number of cycles per month. The overall goal of Target is to replace the cycle processing as we know it today with a redesigned central system. Some batch processing would still be required but cycles, as we use the term today, would be eliminated. The development of the redesigned central system has been delayed due to the implementation of the Chapter 32 Education legislation which has been added to the online network. This redesign will be implemented in stages. The next phase to be scheduled as C&P processing. Until the total redesign is complete, we will process the current ten Education cycles per month and continue our efforts to increase to ten C&P cycles per month. This schedule will provide updated veterans master records approximately every three days.

Question. If not, why not and what has to be done (if anything)?

Answer. To meet the goal of ten C&P cycles per month will require our continued efforts in the area of optimizing programs and improving operational procedures. A group of technicians are already working on this effort.

Question. What impact, if any, will the severe budget cuts for Fiscal Year 82 in the Department of Veterans Benefits have on the Target System?

Answer. We surely expect that DVB will be most anxious to accelerate the installation of as many of the proposed additions to the Target System as is possible. Some of the development on the drawing boards will enable the Regional Office personnel to do their work easier and more efficiently and is most important to assist DVB during the coming months and years.

Question. Isn't there a practical limit on how much additional work you can continue to add to the Target System?

Answer. Let me explain this answer in some detail. The Target network software has been designed to be completely independent of the number of components in the system. We have in this system a truly distributed processing network, favorably compared to anything in the world. As you know, we have three (3) Regional Data Processing Centers (RDPC's) servicing fifty-eight (58) Regional Offices (RO's), some satellite RO's, VACO, the Records Processing Center, the VAMC in Washington, D.C., the Finance activity at Hines and the Department of Memorial Affairs. It makes no difference from a software standpoint, how many RDPC's there are or how many remote sites there are. You simply add the equipment that is necessary and connect it to the network. So, from that standpoint, there is really no practical limit on how much additional work can be added to the system as long as we keep up with the workload by augmenting the hardware base of the Target network. From a pragmatic point of view, the existing computer power furnished by the three RDPC's is reaching saturation and we expect that limit to be reached with the functions currently on the drawing board. These functions are being implemented throughout the rest of this Fiscal Year and next.

Question. When do you plan to include a budget request to augment the Target computer base?

Answer. We submitted a plan for the Fiscal Year 82 budget for computer augmentation in the Target network. That funding was not approved but we will continue to press the issue because our only alternative is to slow down or even stop the implementation of additional functions and subsystems into Target. These additions were sorely needed by DVB before, and in light of the budget situation in DVB today, I would venture that some of these enhancements may be critical to DVB's ability to continue to provide their excellent level of service to the veteran population.

BENEFICIARY INDEX LOCATOR SYSTEM

Mr. BOLAND. On page 1-81, second paragraph, the legend states that you are continuing the development of the detailed technical design, data base structure and conversion plans for the redesigned Beneficiary Identifications and Records Locator Subsystem (BIRLS).

Have you resolved your communications problem between TARGET and BIRLS?

Mr. MARTIN. The TARGET system as you know runs on Honeywell equipment while the BIRLS system runs on IBM equipment. We have an adequate interface to solve the communication problems between two different communications protocols, two different machine architectures; yes, sir.

Mr. BOLAND. When we provided the funds for this system, your plan included a much more sophisticated, on-line system that would be converted to within three to five years. What is the current status of that proposal?

Mr. MARTIN. BIRLS is still one of our highest priorities. It is designed to be expanded to serve other users in the Veterans Administration. We have had some difficulty in funding a competitive procurement which affects Austin DPC in general. We have a mandate to replace competitively all hardware at Austin of which BIRLS is a part. That was deferred in the 1982 budget. We now cannot touch that until funding requests are approved in 1983. Our decision then almost is forced to combine the BIRLS procurement with the general Austin upgrade. We will not be able to request funding for that until 1983.

Mr. BOLAND. Would such a conversion be cost-effective now?

Mr. MARTIN. Yes, sir.

Mr. BOLAND. You may detail that for the record, too.

[The information follows:]

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Tangible Benefits

1. Tangible User Benefits

Expansion of the BIRLS on-line Master Record to include the new data elements requested by DVB will result in the following tangible benefits to the user. (The data elements are listed below the benefit with which they are associated.)

a. Greater probability of veteran identification or Master Record location

- o Cancelled File Number
- o Additional cross-reference names
- o Additional beneficiary names

b. Improved procedures for recall of folders from Federal Archives Records Centers

- o GSA Claim Folder accession number
- o GSA Insurance Folder accession number
- o GSA DEA Folder accession number
- o GSA LGY Folder accession number
- o GSA Medical Folder accession number

c. Reduction in the number of Claims Folder pulls

- o Additional service data

d. Elimination of Insurance payee index card file lookups

- o Insurance lapse date

e. Improved folder retirement procedures

- o Inactive education data
- o LGY File Number data
- o LGY Folder location
- o Termination/Disallowance data
- o Medical Folder location
- o Insurance Folder location

f. Improved folder control

- o LGY Folder location
- o Medical Folder location
- o Insurance Folder location
- o No Folder Established indication

g. Reduction in overpayments

- o Burial Award data
- o Headstone or monetary allowance data

h. Identification of veterans entitled to priority medical treatment

- o Service-connected diagnostic data
- o Reason for discharge, retirement, or disability

(5) Improvement of veterans appeals processing

o Decision on the veterans appeal and date

(6) Fulfillment of legal requirements

o Privacy Act data

b. Intangible ADP Benefits

A redesign based on current software concepts and utilizing a structured system development methodology would result in the following intangible benefits:

(1) Greater responsiveness to changing user needs

(2) Complete system documentation

(3) Compliance with VA and Federal Information Processing standards

(4) Increased DPC morale
(The redesign provides new, exciting, and meaningful work.)

(5) Reassessment of user needs

(6) Compatibility with Target data integrity schemes

(7) Compatibility with the Target data communications network

(8) Compliance with security and privacy requirements

4. Cost Estimates

o Hardware

Honeywell Information Systems (HIS) has submitted an unsolicited proposal to ODM&T to support a conversion of the BIRLS system to a Honeywell environment. The proposal suggests a two-phased approach. The first phase involves installation of a Development System on which the new BIRLS system would be designed, programmed and tested. The second phase is an add-on of equipment resulting in a full production configuration to support BIRLS on-line processing.

The cost of hardware for such an approach would be, according to HIS's proposal, as follows:

	Lease	Purchase	Maintenance
Basic	$61,334.60	$3,100,700	$7,750
Add-on	82,115.80	4,102,364	10,985
Total	$143,450.40	$7,203,064	$18,735

HIS's proposal includes Special Purchase Incentive Credits which could being the total purchase price of the production system down to $6,177,473.

i. Identification of veterans for which medical treatment costs can be charged to the Department of Defense

- o Reason for discharge, retirement, or disability

2. Tangible ADP Benefits

A redesign based on current day transaction processor/DBMS methodology would result in the following tangible benefits:

a. Reduced program maintenance costs

b. Reduced program development costs

c. Increased programmer efficiency

d. More efficient hardware utilization

e. Reduction of data communication costs

f. More efficient Target RDPC processing

3. Intangible Benefits

a. Intangible User Benefits

The following intangible benefits to the user will be realized by the proposed Master Record expansion:

(1) Improved claims processing

- o GSA Claim Folder accession number
- o GSA DEA Folder accession number
- o Cancelled File Number
- o Additional service data
- o Additional cross-reference names
- o Additional beneficiary names

(2) Improved medical care for veterans

- o Medical Folder location
- o GSA Medical Folder accession number

(3) Improved service to veterans beneficiaries or next-of-kin

- o Insurance Folder location
- o GSA Insurance Folder accession number
- o Insurance lapse date
- o National cemetery where veteran is buried

(4) Improved loan processing

- o LGY Folder location
- o GSA LGY Folder accession number
- o LGY File Number

Mr. BOLAND. Are the systems compatible now?

Mr. MARTIN. BIRLS and TARGET, yes, sir.

Mr. BOLAND. Last year, the estimate for equipment in 1980 was $2,625,000—and that included a supplemental request of $2,350,000. Page 1-91 shows that you spent $6,500,010 for equipment in 1980. What accounts for the variation from the 1980 plan?

Mr. MARTIN. There were several activities including the supplemental you referred to.

We obligated the procurement, the large TARGET procurement in 1979. The payout came in 1980, so what you see there is not as dramatic as it appears to be.

Mr. BOLAND. How much was the payout? You may supply that for the record.

[The information follows:]

On page 1-86, note the "Adj. to Obligation" figure of minus $5,467,044. This is a net number which is comprised of prior year costs (funds were obligated for a commitment which was made in a previous year, but payment was not made until fiscal year 1980) and undelivered orders (funds were obligated for a commitment which was made in fiscal year 1980, but payment was not made in fiscal year 1980).

Of this net adjustment of minus $5,467,044, minus $6,211,000 in prior year costs and $1,122,000 in undelivered orders are attributed to equipment—primarily for the TARGET system.

Mr. BOLAND. Thank you very much. We want to compliment you. This Committee has worked very closely with the Veterans Administration in the ADP program and I think it has been mutually beneficial. We want to compliment you on your willingness to work with the staff of this Committee. We are proud of the staff we have, and as a result of the compatibility of our staffs, you have done well.

Mr. WILSON. Had it not been for this Committee, I do not think we would have gotten TARGET off the ground.

Mr. BOLAND. It did take a long time, but the willingness of both sides to listen and hear, I think that ultimately was the payoff.

DEPARTMENT OF VETERANS BENEFITS (DVB)

Mr. BOLAND. We will now turn to one of the great activities within the VA, the Department of Veterans Benefits.

Ms. Starbuck, you have been here before for this. We will put your statement in the record. Mr. Traxler will examine the DVB budget request with you, and give you the Committee's evaluation of this activity.

Ms. STARBUCK. Thank you, Mr. Chairman.

[The written statement follows:]

STATEMENT OF DOROTHY L. STARBUCK

Mr. Chairman and Members of the Subcommittee, I am pleased to present the Department of Veterans Benefits' fiscal year 1982 appropriations request. The Department administers an integrated program of veteran benefits consisting of compensation, pension, burial, education, vocational rehabilitation and counseling, loan guaranty, insurance, fiduciary and field examination, and veterans assistance activities. The Department of Veterans Benefits' request for over $15 billion represents about two-thirds of the VA's approximately $22.7 billion in appropriation requirements.

Compensation and Pension benefits are the largest segment of our budget. Our 1982 request for these benefits is $12,956,800,000. This amount is $314.2 million over our 1981 level (adjusted for the supplemental requirements). We have presented our Compensation and Pension appropriation as three separate accounts, but are not now in a position to accommodate accounting for these as distinct entities.

The 1982 appropriation request for Compensation is $8,657,900,000. This request, which is $74.4 million higher than the 1981 adjusted estimate, is based upon:

A projected increase of over 5,000 compensation cases in 1982;

Increased average program-wide costs, because of higher average degrees of disability;

Greater numbers of veterans having dependents; and

Higher benefit payments because of higher pay grades of deceased veterans.

The appropriation request for Pensions is $234.4 million greater than the estimated 1981 amount and totals $4,094,900,000. We expect a pension caseload decrease of 98,000. However, average payments are expected to increase, primarily because of automatic cost-of-living increases provided by Public Law 95–588 (The Pension Improvement Act). Also, we anticipate the return of some children to the rolls if changes occur in Social Security benefits. If minimum levels of Social Security are discontinued, we also should anticipate some increase in pension costs.

The Burial Benefits and Miscellaneous Assistance portion of our appropriation encompasses a comprehensive burial benefit program, several special payment categories, payment for invalid lifts and other devices, mortgage life insurance, and the Veterans Group Life Insurance program. Increasing mortality rates, larger Veterans Mortgage Insurance contributions, and a slight increase in the number of invalid lifts and devices will push 1982 requirements $5.4 million above those in 1981; the appropriation request for this category is $204,000,000.

To summarize, the costs of the benefit appropriation are 2.5 percent higher than the adjusted 1981 level. The increase will provide an average monthly compensation benefit of $273 for over 2.6 million veterans and their survivors. The increase also will provide nearly 1.9 million veterans and their survivors an average monthly pension income of $183.

I also would like to point out that an 11.2 percent compensation rate increase will be proposed for fiscal year 1982. This increase would become effective on October 1, 1981, and would benefit veterans, spouses and children receiving DIC (Dependency and Indemnity Compensation), and veterans who receive a clothing allowance. The estimated 1982 cost of this legislation—$946 million—is not reflected in our appropriation request.

Our $1,658,000,000 Readjustment Benefits Appropriation request for 1982 is $381.8 million lower than the 1981 level (adjusted for the supplemental requirements). A reduction in the number of G.I. Bill (chapter 34) trainees is primarily responsible for the decrease. It is expected that slightly more than 200,000 fewer veterans and servicepersons will train in fiscal year 1982 than will train in fiscal year 1981. We are all aware that the economics of the country impact on participation rates.

These funds will provide monthly education assistance payments to: 645,600 Vietnam era veterans and servicepersons; 27,000 disabled veterans in need of vocational rehabilitation; 86,900 children and dependent spouses; and to 13,500 Post-Vietnam era veterans. Also provided for are 850 specially adapted housing grants, 700 automobile grants, and 8,500 automotive adaptive equipment items.

Education overpayments continue to decline. In 1980, $287.2 million in overpayments were established—an 18 percent decrease from 1979. The balance of overpayments on hand decreased from $421.1 million at the end of fiscal year 1980 to under $400 million on December 31, 1980. This downward trend is expected to continue to $383.1 million at the end of 1981 with a further decrease to $307.8 million at the end of 1982. This is a net decrease of $113.3 million over the two-year period.

Looking to the future, we will propose eliminating authorization for veterans, servicepersons, and dependents to receive assistance for flight and correspondence training. We would hope to have this change become effective on July 1, 1981.

Despite housing market problems, Loan Guaranty workloads remain relatively strong. Loan origination activities for this fiscal year and 1982 originally were estimated slightly higher than they were in fiscal year 1980.

However, these estimates for 1981 and 1982, made many months ago, will be adversely impacted by the general economy. To the end of January 1981, we have guaranteed 80,078 loans, a drop to a probable annual figure of 250,000 (in fiscal year 1981).

Despite a projected $26.2 million increase in costs to the Loan Guaranty Revolving Fund in 1982, loan sales are expected to offset most of these costs. We are pleased that out inventory of fewer than 9,000 acquired properties at the end of fiscal year 1980 represents the lowest inventory since 1960. While property management activities during fiscal years 1981 and 1982 are expected to be slightly higher than they were in 1980, we will continue our efforts to maintain a low inventory.

We project that out loan servicing activities will increase during the current fiscal year and decline slightly in fiscal year 1982. Such loan servicing activities assist veterans in retaining their homes as well as help moderate any rises in our housing

program costs. Improved supplemental servicing efforts during 1980 resulted in an increase in the rate of cured defaults from 89.4 percent in 1979 to 91.7 percent in 1980. We will continue to try to improve these percentages.

VA's Insurance Programs make what we feel are significant contributions by providing insurance protection for veterans, there families and dependents. Since only one of the five government administered insurance programs is available to new enrollees, the total number of insured veterans is expected to decline. Also, as the average age of insured veterans rises, death and disability claims can be expected to rise. Four of our five insurance programs pay dividends. In calendar year 1981, 4 million veterans will share in a record $620 million in dividends. To insure protection for survivors and to decrease outlays, we are moving to implement a policy change, based on new economic assumptions, to increase the interest rate on loans against insurance policies (USGLI excepted). This should decrease outlays by approximately $96 million in fiscal year 1982.

The final area I would like briefly to mention today involves the Department's 1982 GOE Budget Request of $404,523,000. This amount is $50,806,000 less than our 1981 appropriation and will support an average employment of 14,521 which is 1,879 fewer people than the average for 1981. The exigencies of the budget request require that we take a hard look at our operations. We anticipate that we will be able to accommodate the necessary GOE reductions by restructuring and possibly regionalizing our field station operations. We are exploring all options to accommodate this employment figure without adverse effect on benefit services.

Mr Chairman, this concludes my statement. We will be glad to discuss our budget with the Subcommittee.

Mr. TRAXLER. You are requesting $404,523,000 in 1982, a decrease of $50,806,000 below 1981. Average employment decreases from 16,400 in 1981 to 14,521 in 1982. Percentage-wise, the Department of Veterans Benefits is proposing the largest reduction in average employment—over 14 percent from 1980 to 1982.

Ms. Starbuck, do you wish to make any comments from your written statement?

Ms. STARBUCK. We are the largest user of these GOE funds. Consequently, when those funds are reduced, we are the department taking the greatest reduction in that area.

The reduction of employment to the level of 14,521 in fiscal year 1982 does present a very serious challenge to the Department of Veterans Benefits, particularly with respect to the methods by which this reduction will be accommodated and the impact this will have on our ability to deliver services.

The guidance we received was for us to consider regionalization of the benefit activities. This would involve the adjudication of compensation and pension claims and other peripheral claims as well as the regionalization of loan guarantee activities.

I think I have to be very up front with the Committee and say that in our thinking in the Department, we have looked down the road, some years from now, to a necessity for centralization or regionalization of claims activities; however, that was dependent upon the TARGET system relieving the adjudicator of his reliance on a veterans claims folder.

Mr. BOLAND. I take it that is why you have a bit of a caveat on page I-97, where you say that actual savings will be achieved as a result of reductions in some program activities and by possible regionalization of operations involving delivery of benefits?

REGIONALIZATION OF VETERANS BENEFITS

Ms. STARBUCK. We have to talk possible regionalization right now, Mr. Chairman, because of what we are faced with between now and September 30. Our current employment of 16,400 would have to get very close to 14,500, in order to attain an averge of 14,521 for fiscal year 1982.

The possibility of regionalization or centralization for this fiscal year to affect these reductions is an impossibility.

Mr. BOLAND. I would think so.

Ms. STARBUCK. It is, sir. Now this leaves us with a very slim and painful alternative which would be to take these reductions in place and, at the same time, start our search once we have made a decision and presented it to the Administrator for his or her approval.

The problem with taking this reduction this year which we must go into very quickly is that the only way we can see doing it is by directing a reduction in force. This is, obviously, tremendously disruptive to our operations in the regional office and will cost us in work produced because the people who are remaining even after the reduction force takes place, have the prospect of looking ahead in the next year or two to relocation to a centralized or regionalized site, and we would have to go through a reduction probably even from what was left because people will not move. We estimate that no more than 20 percent of the people involved in decentralization would make a move.

Mr. TRAXLER. How many people would be affected by the RIF?

Ms. STARBUCK. 1,879 must be taken off the rolls before the end of the year.

Mr. WILSON. If I might interject here. Reduction in forces are very painful, dramatic and traumatic. Also, they cost a lot of money. We would hope we could offer people jobs and transfers. We know roughly the number of people who would transfer, which, as Dorothy indicated, are 20 percent, because many of the women who live with their husbands would not move. We would use forced reductions as a last resort. We would try to make all these moves as painless as possible, realizing they are possible.

Mr. TRAXLER. The Reagan budget amendment reduced the 1982 Carter request for the Department of Veterans Benefits by $60,110,000 and 1,800 staff years. I am all for savings, but this looks like an awfully large reduction to be taken in a short period of time.

SAVINGS IN DVB EMPLOYMENT

Will the entire additional savings in 1982 of $60,110,000 and 1,800 staff years be achieved as a result of reductions in some program activities and by a possible regionalization of operations involving delivery of benefits as the revised justification suggests on page 1-96R? Explain. If not, how will the savings be achieved?

Ms. STARBUCK. Yes, sir, the figure to which I allude is the difference, 1981 over 1982 average.

Mr. TRAXLER. Give us a broader definition of regional operations.

Ms. STARBUCK. The guidance which came was centralization. The only thing that comes into my mind was the operation in Baltimore, of the Social Security Administration.

Mr. TRAXLER. Would field offices be completely closed?

Ms. STARBUCK. No. In our thinking now, which is just in the planning stage, we have not even reached the point where we come to some arbitrary decisions about things.

With our TARGET system as it is, we are thinking of regionalization to accommodate at the least possible cost the continued use of that system. To centralize in one location would mean a total rewiring and resetting of lines for the TARGET system, and, to accommodate at lesser cost, we are now thinking of centralizing into three undesignated locations: one in the West, one in the Central Region of the United States and one in the Eastern Region.

Mr. BOLAND. There is no way at all of reducing average employment without consolidating offices?

Ms. STARBUCK. No, sir; because that figure anticipates by the end of 1982 we would have finished half the job.

Mr. TRAXLER. Mr. Green, any questions?

Mr. GREEN. No.

Mr. WILSON. Miss Starbuck said by 1982 this would be half the job. I received some assurance there would be another look again at that in 1983. So hopefully, the trauma will not be as great.

GUIDANCE CENTERS AND STATE APPROVAL AGENCIES

Mr. TRAXLER. The Congress added $2,219,000 for Fee Basis Counseling and $8,800,000 for State approving agencies in the 1981 Appropriation Act. As I understand it, the VA proposes to reduce the 1981 funds for Fee Basis Counseling by $1,419,000 and State approving agencies by $3,890,000.

Is that correct?

Ms. STARBUCK. With respect to the guidance center counseling, the great number of people who had been counseled at guidance centers were those persons who were having problems with success in pursuit of their education, who had second or third changes of program, unsatisfactory progress and others. With the March review last year which discontinued the guidance center contracts, we changed the rules with respect to who would receive counseling. Those who are now making unsatisfactory progress, unless they absolutely request it, are not referred to our counseling activity. There is an administrative decision made with respect to the individual's ability to continue in a program successfully.

We have, so far, utilized approximately $500,000 in guidance center counseling contracts, and we feel at this time, that this is a sufficient amount of money.

Now the decisions made with respect to regionalization would have the effect of turning us around on the use of guidance centers because we would probably not be able to retain sufficient counseling personnel in regional office locations to accommodate the counseling demands of those who are eligible for that.

Mr. TRAXLER. If you make those reductions in the Congressional add-ons, don't you have to send up a reprogramming request to us?

Ms. STARBUCK. We have not reprogrammed that money. We have not obligated it so far in 1981.

Mr. BOLAND. Let me quote from page six of the Senate report:

The committee directs that the Department of Housing and Urban Development and the agencies funded through this bill notify the chairman of the HUD-Independ-

ent Agencies Subcommittee prior to reprogramming of funds in excess of $200,000 or 10 percent, whichever is less, between programs or activities.

Ms. STARBUCK. We have not reprogrammed that money, we have just not obligated it.

Mr. BOLAND. Well, are you going to reprogram?

Ms. STARBUCK. If we do, sir, you will know about it.

Mr. BOLAND. Okay, that is fine.

Ms. STARBUCK. With respect to the State approval agency contracts, we took a reduction in that in the major review last year, and that has further been reduced in two ways. There has been an outright reduction in the amount available for State approval agency contracts, and then we have taken a second dip on that in the ten-percent reduction in contracts. So, we have reduced our State approval agency contracts right now to about $13.4 million for 1981. This is causing us some pain in keeping State agencies operating satisfactorily. I do not think they are very happy with us, but we want to keep them as effective as possible. It makes contract negotiation very difficult.

Mr. BOLAND. In 1982, you are requesting $8,110,000 for State approving agencies. The natural question here is how will the State approving agencies direct and approve courses? If the State does not do the work, who will approve the new courses and perform the inspections?

Ms. STARBUCK. We would have to continue to rely on the State and would have to be satisfied with something about one-half of what we have this year.

Mr. BOLAND. You will have to be satisfied with a lot less effort on the part of the State; a reduction of $5 million is a hefty reduction.

Ms. STARBUCK. In all honesty, we have to say this all but kills it as far as the States are concerned.

DVB EMPLOYMENT ESTIMATES

Mr. TRAXLER. Last year, the 1980 estimate for average employment in the Department of Veterans Benefits was 17,509. Actual average employment was 16,914, a decrease of 595 below the estimate.

Does this decrease in 1980 result from the one-for-two hiring limitation? If not, what does it result from?

Ms. STARBUCK. It results from the one-for-two hiring limitation. We also had some transfer of personnel to ODMT. But basically, it develops from the freeze.

Mr. TRAXLER. Did that affect your operation adversely?

Ms. STARBUCK. Yes, sir, it did. It has reduced the timeliness of our processing of applications for benefits. It has affected our ability to complete the workload estimates that we had in many of our services and has, in fact, somewhat increased our backlog of work to be performed.

Mr. TRAXLER. Turn to Executive Direction. The average employment in 1982 is estimated to be 400. This is a decrease of 54 from the 1982 Carter proposal.

How will this savings be realized? Where will the reductions be made?

Ms. STARBUCK. These reductions will come directly from the personnel chargeable to my central offices and from the 58 offices of the regional office directors.

Mr. TRAXLER. The revised 1982 travel request increases by $119,000 over the 1982 Carter request. As I understand it, the increase reflects the estimated cost of a new employee union contract.

Why would a new contract require an estimated $119,000 in Executive Direction travel costs?

Ms. STARBUCK. We are obliged at this time, sir, and this applies not only to this Department but to the Department of Medicine and Surgery who are providing the management, the principal numbers of management negotiators and from whose ranks the union negotiators are drawn. The FLRB has ruled that we are obliged to pay the transportation for these contract negotiations which are taking place here in Washington, D.C. The process lasts about two weeks and the cost of a two-week stay in Washington, D.C. is now at $75 per person per day. It is anticipated these negotiations will be prolonged and will be followed by negotiations for a national contract by two other unions representing VA employees.

VETERANS SERVICES EMPLOYMENT

Mr. TRAXLER. Turn to Veterans Services. Average employment for 1982 is estimated to be 2,804. This is a decrease of 1,235 from 1980.

What will be the effect of this decrease on services to veterans? That is a very substantial reduction.

Ms. STARBUCK. It is a very substantial reduction, sir, and again, I hope the Committee will understand we are mentally struggling with this thing and that an answer is just not quite there yet. But what this will, in fact, mean is that we will have to change our entire pattern of outbasing veteran benefits programs, not only in VA offices, but also in itinerant visits to cities. We are going to have to look very seriously at the presence of veterans benefits counselors in each of our hospitals and some of the outpatient clinics.

Mr. BOLAND. So you are not going to come anywhere near reaching the workload that you describe on 1-104. This is the Operation Outreach system that provides information to the veterans and their families. Who will suffer most? Vietnam veterans?

Ms. STARBUCK. No, not the most.

Mr. BOLAND. But they will suffer considerably under that, and also the vocational educational counseling.

Ms. STARBUCK. That is true. We have to deal with a veteran, is a veteran is a veteran. The people we hear from the most are people on pension roles. When compensation changes take place, those are the people we see but of course they cut across the entire strata of veterans. But for the purposes of outreach, we will have to ask for a rescission on the outreach efforts which would cut into the visits to prisons, the whole concept of outreach.

VETERANS COUNSELING ACTIVITY

Mr. WILSON. Mr. Chairman, I should add, on the top of page 1-105, there is a notice that counseling has been transferred to another function.

Mr. BOLAND. Wasn't that transfer due to a change in the law which referred to Vietnam veterans in particular?

Mr. WILSON. That is partly the reason.

Mr. TRAXLER. How did the October 1980 reorganization affect the staff year requirements?

Ms. STARBUCK. The persons who were a part of the Veterans Assistance Service, concerned with counseling and rehabilitation were transferred in the field from the Veterans Service Division and became a separate Vocational Rehabilitation and Counseling Division or activity, depending on the size of the activity in the individual station.

At the central office level, those persons who were in the Education and Rehabilitation service were physically transferred from that service into a separate service.

Mr. TRAXLER. Would you provide for the record, a table which will indicate by program, the resources allocated in terms of both funds and staff years in 1980, 1981, and 1982, for the non-medical activities that could be labeled your outreach efforts?

Ms. STARBUCK. Yes, sir.

[The information follows:]

OUTREACH

The estimated resources allocated in terms of both fund and staff years in 1980, 1981 and 1982 for non-medical activities that are labeled outreach efforts for the record are as follows:

	Staff years	Cost
1980	190	$4,061,000
1981	72.2	1,643,000
1982	50	1,148,000

These staff years and costs for outreach initiatives are aimed at the educationally disadvantaged, the disabled, the elderly, the incarcerated and Vietnam era veterans.

In the Veterans Assistance Service, outreach is just one of a number of initiatives undertaken by Veterans Services Division personnel to aid, assist, inform, and counsel beneficiaries. Most of the outreach efforts have focused on the Vietnam era veterans and their special needs. Yet these efforts and, in fact, all Veterans Assistance work activities related to the Vietnam era veteran account for less than 30 percent of the total workload.

COMPENSATION, PENSION, AND EDUCATION SERVICE

Mr. TRAXLER. Turn to Compensation, Pension and Education. Average employment for this program is projected to go from 5,540 in 1980 to 4,730 in 1982. That is a decrease of 810 in two years.

How will this reduction in average employment in the Compensation, Pension and Education program affect getting out benefits checks?

Ms. STARBUCK. It will mean that our timeliness in processing applications for benefits will increase.

Mr. TRAXLER. How long do you think that slippage will be?

Ms. STARBUCK. I hesitate at this time to make a guess.

Mr. WILSON. It will not affect those people who continue to draw the same amount of money; just those where changes are made.

Mr. BOLAND. How big a problem is that?

Mr. WILSON. If you look at 1-108, you will see there are 2,736,543 total kinds of workload that will be affected.

Mr. BOLAND. So the reduction here will not be as disastrous?

Ms. STARBUCK. It represents a slippage in quality of service rather than cutting anyone off from doing his thing as far as benefits are concerned.

Mr. TRAXLER. Do you also have redeterminations in eligibility? For instance, the fact I am going on disability does not mean I am going to receive the same check for the rest of my life.

Ms. STARBUCK. If you are 20 percent disabled and your condition worsens, you will come back.

Mr. TRAXLER. You are talking about more than 475,000 people.

Ms. STARBUCK. Your non-original claims would be those requests for increases.

LOAN GUARANTY PROGRAM

Mr. TRAXLER. Turn to the Loan Guaranty Program. Average employment for this program is estimated to go from 2,349 in 1980 to 1,844 in 1982. This is a decrease of 505 in two years.

What will this decrease in average employment do to the time it takes to process a loan guaranty application? What is the average time it takes now? What will it be if average employment is reduced in 1982 to 1,844?

Ms. STARBUCK. Well, right now we are well within time limit standards which requires that an application be completed within an eight workday period. Our problem is with the reduced number of requests for loan guarantees which have come about as a result of the interest rate. Our interest rate just went back up to its record 14 percent on Monday and we have seen over 14 percent decline in loan originations.

Mr. TRAXLER. Fourteen percent?

Ms. STARBUCK. Yes, sir.

Ms. STARBUCK. What has happened as a result of this economic change is that, the division chiefs have shifted personnel from loan origination into some loan service and claims work, where we are attempting to help an individual keep his house by counseling, and into property management where we are preparing for sale of those houses on which foreclosure has taken place and to which we have title.

Mr. TRAXLER. In my State, I think you are going to have to assign additional personnel.

Mr. WILSON. The State of Michigan also has the one year deferral period.

Mr. TRAXLER. You may want to change that law and increase the period. It is better than sleeping in the street.

Mr. GREEN. On the property management activities, you had the inventory down to a very low figure. To what do you attribute that and where do you see us going on that this year?

SALE OF VA OWNED PROPERTIES

Ms. STARBUCK. We attribute that to some very excellent concentration in the sale of properties. When we keep these properties on hand, it costs money, and to reduce the average cost on properties, we have a very aggressive sales operation and we are pleased that our inventory is this low. I think in the next year or two, or three, we are going to have to be more than aggressive to keep ahead of a tide because the defaults are increasing; but we have been very successful in our counseling activities and have been able to preclude about 92 percent of reported defaults from actually going to default.

This may just be stemming the tide for the moment, but I think the economic situation causes us to look very hard at this and we know we are going to have a greater inventory.

Mr. GREEN. Who does the counseling for you, is it in-house staff?

Ms. STARBUCK. Yes, Mr. Green.

Mr. BOLAND. There is an interesting table depicting workload changes on page 1-111: The number of "Home Loans Closed" was reduced by 20.3 percent, and the number of "Total GI Applications Received," was reduced by 27.5 percent, because of high interest rates.

What happens if, hopefully, housing activity picks up? What will happen with respect to the RIF that is targeted for the Loan Guaranty function?

Mr. WILSON. I have been reading for the last few days, where FHA will be changed in terms of the number of loans they guarantee and how they guarantee. That possibly will change the operation of the VA. They have a half percent higher because of it.

VOCATIONAL REHABILITATION AND COUNSELING SERVICE

Mr. TRAXLER. Turn to Vocational Rehabilitation and Counseling Service. This is shown as a new activity this year. In response to Public Law 96-466 and GAO recommendations, VA has reorganized its vocational rehabilitation program to improve program management and service delivery. This year VA is requesting $17,954,000 and 566 staff years for the Vocational Rehabilitation and Counseling Program. The estimated counseling caseload is 77,300 for 1982.

Has the organization of the Vocational Rehabilitation and Counseling Division improved program management and service to veterans?

Ms. STARBUCK. Yes, I think it has. What has happened here is that in the regional office as well as in central office, there has been some greater identity which has translated into a greater concentration of program responsibility and control. This program and the implementation of that legislation, will be seriously impacted and what we are going to have to do in this program is to take a look at the veteran on whom we concentrate our greatest efforts in counseling and rehabilitation activities. We will have to implement very quickly, no later than the first of next month, the provisions of 466, which call for a determination of need for rehabilitation before an individual is entered into the program.

Veterans who have anywhere from a ten percent disability on up are eligible for entry into this program. If his/her ability to function in the labor market is impaired by that disability, we are going to have to, with this kind of staffing, decide who we will serve and how.

OUTREACH TO SERIOUSLY DISABLED VETERANS

Mr. TRAXLER. Do you feel comfortable with your outreach efforts for the seriously disabled veteran?

Ms. STARBUCK. No. While we are doing well, we will never reach the optimum on that. We have improved our outreach to the seriously disabled and the homebound but we do have some problems with getting to individuals and getting them entered into the program. We have a built-in candidacy situation in our compensation rolls. If we were to identify every veteran say under the age of 40 who is being compensated at—pick out a 50 percent rate or above, we have right there for outreach, a group of candidates who would be eligible but not all of whom, perhaps not half of whom would be interested in entering the program.

Mr. TRAXLER. But we are not going to know?

Ms. STARBUCK. We are not going to know until we try it.

Mr. TRAXLER. Have you integrated DVB and DM&S rehabilitation services? If so, what positive results have been achieved?

Ms. STARBUCK. In Dr. Custis's department and in ours, of course we have separate rehabilitation activities. In the Department of Veterans Benefits, our rehabilitation is confined to the service-connected veteran but I would assure the committee that coordination between the Department of Medicine and Surgery and the Department of Veterans Benefits has been super in the last couple of years. We have worked very closely with them not only in the development of the case manager project but in training for rehabilitation personnel and in the coordination at field station level on what is needed to deliver services to the disabled veteran.

Mr. TRAXLER. What will be the impact on services, of the Reagan reduction in average employment of 55 in 1981 and 115 in 1982 from the Carter budget estimates?

Ms. STARBUCK. 115 becomes a cumulative figure. It is 55 in 1981 and 60 additional in 1982.

Mr. TRAXLER. What will happen as a result of this?

Ms. STARBUCK. That means we will have to take a real hard look at what we can do, as mandated by Public Law 466, and to whom we can do it, or should be doing it, with greater concentration of effort.

Mr. TRAXLER. Will the budget reductions affect the pilot program to help 500 severely disabled veterans?

Ms. STARBUCK. We are having to take a hard look at that independent living aspect.

OFFICE SERVICES PROGRAM

Mr. TRAXLER. Turn to Office Services. Average employment for 1982 is 3,727, a reduction of 390 below the 1982 Carter request.

Ms. STARBUCK. The Office Services comprises our administrative, finance and personnel activities. That cut, and I would like to

speak just to the personnel activity for the moment, is going to make it very difficult for Directors to deal with personnel activities in their regional offices.

We had begun some beefing up of personnel activities in the regional offices because of the impact of labor management activities. Also, because of the special emphasis programs which impact personnel, and this will mean then that we will have to fall back from that position in 1982. These savings in personnel will probably come at such time as we would begin some centralization, actually in fiscal 1982.

With respect to the finance reduction, that reduction will have to be taken outside the area of individuals that we have identified as being involved in debt collection activities.

In the administrative activity, the cut to an average of 1,820 is going to seriously, if not fatally, impact upon some very fine plans which we had for improving the way in which we deal with the massive paper records to which we are now tied.

We have had ongoing, a pilot program which was leading toward a microfiche record; a permanent record instead of a paper record. If we are to continue this program, we are going to have to find some way within the administrative activity to neglect some other responsibility.

STANDARD LEVEL USER CHARGE

Mr. TRAXLER. Last year, the 1980 estimate for "rents, communications, and utilities" was $63,783,000. The 1980 actual cost of "rents, communications and utilities" is $58,475,881.

What accounts for this $5,307,119 variance from plan and why does the standard level user charge drop to $26,316,000 in 1982? That is a decrease of $7,490,000 below the 1981 estimate.

Ms. STARBUCK. Yes, sir. That is required in the adjustments in the 1982 budget.

Now for us to accomplish that in 1982, and I have to say at this moment I am not sure we can because there are many questions surrounding our responsibilities with respect to reducing or removing any regional office during 1982. This change, reduction in the SLUC was to accomodate the reductions in 1982 and quite frankly we are concerned about it. It would like to identify for the record the factors which account for the discrepancy between 1980 estimates and actual expenditures.

[The information follows:]

RENTS, COMMUNICATIONS AND UTILITIES COSTS

The difference of $5.3 million between the fiscal year 1980 estimate and actual cost is identified as follows:

Mail—$2.6 million—Reduction due to a credit for overcharge in fiscal year 1979.

Other Communications—$2.2 million—Target maintenance costs were budgeted as a communication cost but were charged as a contractual service. The 1981 and 1982 estimates reflect this as a contractual service.

Standard Level User Charge—$0.5 million—Space acquisitions were not realized.

Mr. BOLAND. What part of that goes to personnel, 60 percent?

Ms. STARBUCK. It is a little higher than that. Seventy-five or 76 percent.

Mr. BOLAND. One of the problems you have, is that OMB continues to ignore the law by reducing your personnel ceiling, even after

the Congress identifies the minimum number of personnel for Medical Care. Simply adding money for anything, including St. Paul, will be fruitless if OMB will not release the personnel. You could use it for pay increases. Do you want to say anything about that?

Mr. WILSON. I think we would be expected to absorb a substantial amount for pay increases.

COMPENSATION AND PENSIONS

Mr. BOLAND. Let us turn to benefit appropriations. The fiscal year 1982 Carter request for the Compensation and Pensions appropriation is $12,967,900,000 an increase of $325,300,000 when the supplemental request of $1,040,600,000 is considered.

Has the Reagan amendment changed the 1982 request? If so, why and what is the revised request?

Ms. STARBUCK. The revised request has been adjusted downward to reflect a lower COL projection in the pension program.

Mr. BOLAND. What is the total revised request?

Ms. STARBUCK. Our revised request is now $12,956,800,000.

Mr. MARKHAM. Mr. Chairman, the rate increase in compensation and in pension, being scheduled for July of this year and compensation for the end of fiscal year was changed from 12.3 to 11.2 percentage points.

Ms. STARBUCK. The compensation increase is not in this budget request. The pension is.

Mr. BOLAND. The supplemental request is $1,040,600,000. Has that been revised?

Ms. STARBUCK. No, sir; it will not.

Mr. BOLAND. Last year, the VA requested that the Compensation and Pensions appropriation be split into three separate appropriation accounts: Compensations, Pensions, and Burial Benefits and Miscellaneous Assistance. Why are you doing it?

Mr. WILSON. Because we were requested to, sir.

Mr. BOLAND. You were requested to last year.

Mr. WILSON. Yes, sir.

Mr. BOLAND. But the Congress did not agree with the proposal and provided the funding in a single appropriation. Does the VA have an accounting system that will allow the Compensation and Pensions appropriations to be broken into three accounts?

Ms. STARBUCK. No, sir.

Mr. BOLAND. On page 2-4 it is mentioned that the $4.8 million change in overpayments represents a greater collection of overpayments from veterans and survivors. Page 2-12 mentions pension overpayments. The dollar value of the combined compensation and pension overpayments in 1979 totaled $112,776,000.

How much of the $112,776,000 in overpayments has been recovered?

Ms. STARBUCK. About 84 percent of it, sir.

Mr. BOLAND. That is great.

Please supply for the record: the dollar value in fiscal year 1980; the amount of the 1980 overpayments that has been recovered; and the current amount of outstanding pension overpayments.

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Ms. STARBUCK. I will, sir.
[The information follows:]

COMPENSATION AND PENSIONS OVERPAYMENTS

Compensation and pensions establishments in fiscal year 1980	$102,586,000
Compensation and pensions recoveries in fiscal year 1980	78,586,000
Current balance in Compensation and pensions overpayments	85,486,000

During the first four months of Fiscal Year 1981, we collected $28,313,000. A good portion of these collections probably pertain to overpayments established during fiscal year 1980.

Mr. BOLAND. How confident are you that what all compensation and pension overpayments are discovered? How do you discover them?

Mr. WILSON. A great many times you may get a notification of debt when the check is in the mail or when the annual income form is filed, if we see a different amount of income.

Mr. BOLAND. What controls have you developed to prevent the overpayments occurring in the future?

Ms. STARBUCK. This is not something on which we can set an established control. In the new pension law, a change in benefits takes place in the month in which an income change takes place as opposed to applying the old end of the year rule in the old law and Public Law 86-211 pension cases. So unless a person notifies us for example that Aunt Minnie left me $1,000 when she died, we will not know until the individual tells us about this.

Mr. BOLAND. Then when you know it, I suppose you make an effort to stop it, or put into effect some kind of control.

Ms. STARBUCK. We would stop it then at that time and institute recoupment.

Mr. BOLAND. How many compensation and pension overpayments have been written off or terminated in the last five years? This information may be supplied for the record.

[The information follows:]

COMPENSATION AND PENSIONS OVERPAYMENTS

Compensation and Pensions overpayments written off in last 5 years	$29,225,000
Compensation and Pensions collections terminated in last 5 years	11,460,000

READJUSTMENT BENEFITS

Mr. BOLAND. Turn to Readjustment Benefits. The fiscal year 1982 Carter request for Readjustment Benefits is $1,658,000,000. This is a decrease of $381,808,000 below 1981, when the supplemental request of $217,500,000 is included.

Last fall, the Congress had to pass quickly a $40 million urgent supplemental appropriations bill because of a shortfall in the Readjustments Benefits account. That shortfall was largely due to an increase in beneficiary applications above what was originally estimated for 1980.

How accurate is your estimate for fiscal year 1981?

Ms. STARBUCK. We have pending, sir, a request for a $217.5 million supplemental. But our current reading is that that figure will not be sufficient. We believe the current participation rate is going to require a supplemental of $475 million for this year. This

would put us into the month of June, when our appropriated funds will run out, pending the submission of an amended supplemental.

Mr. BOLAND. The amended supplemental will be how much?

Ms. STARBUCK. $475 million.

Mr. BOLAND. If the 1981 request is understated, how will it affect your 1982 request?

Ms. STARBUCK. We will have to take another look at that one.

Mr. BOLAND. The 1982 Carter budget proposed extending the delimiting period for two years for certain Vietnam veterans. The cost in 1982 is estimated to be $63 million.

Has that proposal been withdrawn by the Reagan budget amendments?

Ms. STARBUCK. It has, sir.

Mr. BOLAND. I understand that VA recently completed compliance surveys on all apprenticeships and on-the-job training programs sponsored by public establishments, excluding programs offered by interstate carriers and Federal agencies. Is that correct?

Ms. STARBUCK. That is correct, sir.

Mr. BOLAND. Were any major problems found in the public programs?

Ms. STARBUCK. About 1,300 of them, sir; of that group, we withdrew approval on 420.

Mr. BOLAND. Any revocations still pending?

Ms. STARBUCK. Yes, sir.

Mr. BOLAND. Approximately how much has been paid to veterans participating in these unacceptable programs?

Ms. STARBUCK. I would have to supply that for the record.

[The information follows:]

COST OF ON-THE-JOB TRAINING COURSES

It is impossible to determine the exact amount paid to these veterans, but based on 856 trainees in the programs that were disapproved, it would appear that the total would be close to $1.4 million. We estimate that an additional $967 thousand would have been paid if the approval of these programs had not been withdrawn.

Mr. GREEN. Could you detail the success or failure of the Readjustment Benefits program with respect to the Vietnam veterans in terms of who found jobs, completed education, etcetera. If you want to supply the material for the record, that will be fine.

Ms. STARBUCK. Over what period of time are you making your inquiry?

Mr. GREEN. Over recent years.

Mr. WILSON. You want to know the success or lack of success of the program?

Mr. GREEN. Yes.

Ms. STARBUCK. We will do that.

[The information follows:]

SUCCESS OF READJUSTMENT BENEFITS PROGRAM

The VA is currently completing work on a utilization study of the GI Bill, which will cover such items as completion rates, success in finding employment etc. This study will be released in the near future and will be forwarded to Congress.

POST-VIETNAM ERA VETERANS

Mr. GREEN. Turn to the Post-Vietnam Era Veterans Education Account. The Carter budget proposed extending this program in its present form an additional year until December 31, 1982.

Does the new Administration agree that the program should be continued for another year?

Ms. STARBUCK. The legislation which established this program called for the Department of Defense and the Veterans Administration to make recommendations to the President in April of this year. We will have the report ready to go. With respect to this, since enrollment in this program will not be allowed after December of this calendar year, the proposal to extend for a year has not been disturbed at this point. The extension has some good and some bad aspects, I guess, because there are now, about 11 bills which have been introduced in both the House and Senate side to provide educational benefits to the all volunteer armed forces which is what this program was intended to be.

I think that both the Veterans Administration as well as the Secretary of Defense have a great interest in an all volunteer force education program and I am sure that the new Secretary of Defense feels that he would like to have an opportunity to review what is now on line before he comes forward with a program that would be different than what exists today.

VOCATIONAL REHABILITATION REVOLVING FUND

Mr. GREEN. We will turn to the Vocational Rehabilitation Revolving Fund. No appropriation is being requested in fiscal year 1982, but the VA is proposing that the credit control language be continued. A supplemental appropriation of $1,250,000 is requested in 1981 due to the enactment of Public Law 96-466 which increased the maximum loan amount from $200 to $564.

What is the maximum amount currently being loaned?

Ms. STARBUCK. We are still loaning amounts below $200, sir. This is a particular loan program that is for disabled veterans who are entering vocational training and who find themselves immediately in a bind, to maybe make a down payment on a new suit of clothes or for perhaps an apartment, and this is a short-term loan. We immediately start our recovery actions in the month after the loan is made, from their compensation benefits.

We have not attempted to break the law by saying we are not going to make the higher rate loans. We have those applications for loans over $200 submitted to our Central Office where they are reviewed and if justified, authorized.

The supplemental is not going to come to us in 1981. So, we have to control rather tightly the money that is available to us, but what we are going to ask Congress is to permit us to transfer money from the RB appropriation as required, into this revolving fund.

Mr. GREEN. What is the problem on the supplemental?

Ms. STARBUCK. It was turned down, sir.

Mr. WILSON. You should know, sir, this money is always paid back.

Mr. GREEN. Is the system of sending cases into the Central Office for review when more than $200 is requested capable of responding to these emergencies?

Ms. STARBUCK. We had only one of them sir.

Mr. GREEN. Would there be a legal problem if the credit control language were to include a fixed dollar amount?

Ms. STARBUCK. No, sir.

EDUCATION LOAN FUND

Mr. GREEN. Turn to the Education Loan Fund. Last year, the default rate was running at 57 percent. What is the default rate running at now?

Ms. STARBUCK. I wish you had not asked that question, sir.

Mr. COY. We have submitted a request for $1,250,000 for the Vocational Rehabilitation Revolving Fund.

Ms. STARBUCK. I am sorry then, I misspoke.

The problem is the timing of it—when the supplemental will be available to the VA. The year will be practically over.

Mr. GREEN. So you are saying if we vote on it, you cannot use it?

Ms. STARBUCK. It would be too late for this year.

Mr. GREEN. What was the default rate for fiscal year 1980?

Ms. STARBUCK. The current default rate I am sorry to have to tell you is at about 67 percent.

Mr. GREEN. You may supply that for the record.

Ms. STARBUCK. I will.

[The information follows:]

EDUCATION LOAN DEFAULT RATE

The Education Loan default rate cumulative through fiscal year 1980 was 64.8 percent.

Mr. GREEN. The table on page 2-44 shows the amounts of defaults in 1980, 1981 and 1982 to exceed the amounts recovered from defaults. The table also estimates 6,320 loans and 3,980 defaults in 1982. It would appear a number of veterans do not intend to repay their loans.

In view of the aforementioned, do you believe the Education Loan Program should be terminated? If not, why? From the number of loans in default, it would appear that this program is being abused.

Ms. STARBUCK. We are anticipating the submission of legislation which would rescind the authority of the agency to make loans. Now, we think this default rate is going to level out in 1983 and 1984.

Mr. GREEN. You cannot go up to 100 percent?

Ms. STARBUCK. No. As a matter of fact, I am concerned with the rate we have today. But we have taken serious steps to refer these defaulted loans to our district counsels for pursuit of collection action.

Mr. WILSON. Back in the early days of this program, these were loans of last resort. People had to go to banking institutions prior to coming to us. The old default rate continues today. As these loans become older and older, they become more difficult to collect.

GRANTS FOR STATE VETERANS CEMETERIES

Mr. GREEN. Turn to Grants for Construction of State Veterans Cemeteries. No appropriation is requested for fiscal year 1982. A total of $10 million was appropriated in 1980 and 1981.

To which States have grants been made?

Mr. CORRADO. Mr. Chairman, we have at the moment six applications from five States: those States are Arizona, California, Maine, Maryland (two applications), and the State of Rhode Island. We have made two grants to the State of Maryland and Illinois, totaling $499,000, to date.

Mr. GREEN. Last year, the testimony indicated that two-thirds of the first $5 million appropriation would be obligated in 1980. Only $499,000 was obligated in 1980.

Why did obligations fall so far short of the plan?

Mr. CORRADO. In my opinion, the States have not really geared up to take advantage of this particular program.

We have done considerable publicizing of this program. We have been in touch with the Governors and with the State agencies that would be the administrators of this particular program.

On top of that, the States also have a problem of selling the program and to get the legislators interested in the program so they in turn will go ahead and introduce the proper legislation to get the State to apply for these grants.

Also there is a problem in that many States are on a biennial budget basis. This again takes time and it may require a period of two years or more before they can gear up to take advantage of this program.

I think the program is good. It serves a purpose and based upon our many discussions with State representatives, there is a tremendous amount of enthusiasm expressed I think it is too early to tell at the moment the real future of this particular program.

However, I am encouraged and I am pleased to say, that a total of twenty-two States are interested and could use the vast majority of the $10 million that is now available.

[The following questions were submitted by Mr. Traxler to be answered for the record:]

FORT CUSTER NATIONAL CEMETERY

Question. The VA intended to develop Master Plans for Region V National Cemetery at Fort Custer during fiscal year 1981.

How close are the Master Plans to completion?

What is the approval process of these plans?

Were there sufficient fiscal year 1981 funds to complete the Master Plans?

Answer. Master plans have been completed and are in the process of being approved. Master plans are reviewed by the Office of Construction, the Department of Memorial Affairs, and the Office of Controller before formal approval by the Office of the Administrator.

There were sufficient fiscal year 1981 funds to complete the master plans.

Question. The VA intended to start Phase I construction of the Cemetery in December 1981.

Does it appear that you will be able to proceed with construction on schedule?

Have you completed the plans for Phase II of construction? If so, when do you expect to schedule Phase II to begin?

Answer. While the VA had intended to start Phase I construction in December 1981, it now appears the construction schedule will slip. The Phase I construction award is now scheduled for February 1982.

Phase II plans have not been completed. There is no project in the budget for Phase II. However, the master plan does include Phase II in the preliminary design.

It is anticipated that Phase II will not come on-line until the latter part of the 1980's.

Question. As a result of scheduling a few acres for advanced development in Phase I construction, the VA was able to move the first interment date to October 1983. I commend your efforts to hasten the date of the first interment, and I hope you will continue to try to move the date up even further.

The VA had plans to negotiate with the Department of the Army to bring the adjacent Army Post Cemetery under the jurisdiction of the Veterans Administration.

Can you tell the Committee what has been accomplished to date in regard to the negotiations?

Will Special Enabling Legislation be required to make the land transfer?

Answer. It is expected that the VA will be able to assume title to the Army Post Cemetery within the next several months. Enabling legislation is not required.

Question. The Reagan Budget proposed several additional cuts in the VA budget. How do these cuts affect the Region V National Cemetery construction plans?

Are these sufficient fiscal year 1982 funds to proceed with the plans as presently scheduled?

Do you anticipate any deferments or delays as a result of the proposed budget cuts?

Answer. The project will be adequately funded with the additional $20,000,000 requested in the fiscal year 1982 budget. No deferments or delays are contemplated as a result of the proposed budget cuts.

LOAN GUARANTY REVOLVING FUND

Mr. GREEN. Turn to the Loan Guaranty Revolving Fund. Last year, Fund obligations for 1980 and 1981 were expected to total $634,219,000 and $683,867,000, respectively. This year, the justification shows actual obligations in 1980 of $444,634,000 and $506,988,000 in 1981.

What caused the estimate for 1980 and 1981 to be so far off the plan?

Ms. STARBUCK. Basically that involved a reduction in the number of property acquisitions we had to make as a result of an improved cure rate on notices of default. That is basically the reason for that. We feel somewhat pleased about that. Perhaps Mr. Glass might want to add something further on that.

Mr. GLASS. This is directly attributed to the cure rate, although the average acquisition and claim cost is going up, we are holding the number down so the total dollar outlays are going down.

Mr. GREEN. On page 3–24, the table shows the average loss per property sold to be $4,081 in 1979 and $4,266 in 1980. The average loss per property sold in 1978 was $3,297.

What is causing the average loss per property sold to increase nearly 30 percent, particularly in two years of what seems to be an accelerated sales program.

Ms. STARBUCK. Basically those costs are incurred while these properties are in our possession. In making a property resalable we sometimes have to make major or minor repairs. We, of course have to deal with increased costs of labor and management for these properties. It is an increased cost that would be directly relatable to the economic trend.

Mr. GREEN. There seems to be quite a variation regionally in terms of foreclosure rates. Does this relate to local economic conditions?

Ms. STARBUCK. Yes, it does.

Mr. GREEN. Could I return to a matter of concern particularly in my district and that is the unavailability of any co-op loan guaranty program. Mine is a district where there are very few homes, but

a great deal of co-op conversion exists and I think many veterans would find a co-op program of great utility and interest. I wonder if you could comment on that.

Ms. STARBUCK. I am going to pass that little football to Mr. Glass.

Mr. GLASS. The House Veterans Affairs Committee will have hearings on co-ops and we will be commenting on that, sometime during the month of April.

Mr. GREEN. So you need statutory authority to proceed in that direction at this point?

Mr. GLASS. Yes.

Mr. GREEN. Turn to the Direct Loan Revolving Fund. Last year, in order to reduce agency outlays, the VA requested language limiting the direct loan program to those made for specially adapted housing.

Have veterans continued to apply for direct loans? If so, has the VA been able to find financing for them with private lenders using the loan guaranty program?

Ms. STARBUCK. Even while our Direct Loan program was in full force we were referring direct loan applications to those lenders who had indicated an interest in loans.

We have not had a problem since the program was discontinued in making referrals to private lenders who are willing to establish a guaranteed loan in a previously direct loan area.

Mr. GREEN. How realistic is the 1981 negative outlay estimate of $119,240,000?

Ms. STARBUCK. We think it is a real figure, a good one.

INSURANCE FUNDS

Mr. GREEN. Turn to the Insurance Funds. The 1982 Carter request for the Veterans Insurance and Indemnities account is $8,500,000. In addition, a supplemental appropriation for 1981 of $4,740,000 was proposed.

Will the Reagan amendments affect this account? If so, how?

Ms. STARBUCK. Mr. Kraut.

Mr. KRAUT. It should not affect the 1981 figures. We will still require that money to take care of the extra hazard claims. The 1982 figure may be impacted as a result of the increase in the interest rate.

Mr. GREEN. How much of the supplemental request of $4,740,000 is attributable to the increase in loans and how much is to build up capital reserves?

Mr. KRAUT. About $3 million to build up capital reserves, the rest is due to the increase in claims.

Mr. GREEN. Can the five percent interest rate charged on insurance loans be raised by administrative action or is legislation required?

Ms. STARBUCK. It can be done administratively by regulation.

Mr. GREEN. Is that under consideration?

Ms. STARBUCK. Yes, sir; the figures are being developed right now.

Mr. GREEN. How much will be saved in 1982 by raising the interest rate charged on all insurance loans?

Ms. STARBUCK. We are committed by the budget reductions to save $96 million by increasing the interest rate on loans. We feel we could reduce the number of loans by about 30 percent by the imposition of somewhere around nine percent interest rate and this would, in fact, bring us a savings of $96 million.

Our guidance, however, is that the interest rate be set at approximately two points below the current market rate and if we do that, it would have a further depressing impact on the number of loans we have and the number of outlays that those loans represent. We are looking at variables from eight percent up through 12.

Mr. WILSON. It is not true as to the U.S. Government Life Insurance, a World War I program.

Mr. GREEN. Would you supply the impact of each of those rates for the record?

Ms. STARBUCK. Yes, sir.

[The information follows:]

EFFECTS OF INCREASING INTEREST RATES ON INSURANCE POLICY LOANS

The reductions in loan activity in fiscal year 1982 resulting from an increase in interest rates for levels from 8 percent to 12 percent are as follows:

Reductions	Percent				
	8	9	10	11	12
Amount of loans	$70,291	$93,722	$117,152	$140,582	$164,013
Number of loans	19,849	26,465	33,082	39,698	46,314

Mr. WILSON. I think it necessary to emphasize, Mr. Green, it is not a monetary saving per se, because the money goes back into the insurance fund and is paid out in the form of dividends.

Mr. GREEN. Thank you all very much. We will recess until two o'clock.

AFTERNOON SESSION

OFFICE OF CONSTRUCTION

Mr. BOLAND. The Committee will come to order.

I understand you want to correct the record with respect to the supplemental.

Mr. WILSON. Mr. Chairman, the question was asked as to how much was provided for in the supplemental and where there was a change. The answer is $1,040,600,000 and that is the same as appeared in the Carter budget.

Mr. BOLAND. Fine.

We will turn to the Office of Construction. The Assistant Administrator is William Salmond.

Do you have a prepared statement?

Mr. SALMOND. No, sir.

Mr. BOLAND. That is interesting. I thought you would have a prepared statement and we would put it in the record for you.

CONSTRUCTION BUDGET AMENDMENTS

Let me begin by reviewing the numbers for fiscal year 1981 and 1982. The Appropriation enacted in 1981 totaled $423,774,000 for

Construction of Major projects—$183,493,000 is proposed for deferrals, including some prior year balances. Total amounts to be deferred for each project follow: New Orleans, $64,864,000; Chillicothe, $13,700,000; Washington, $23,361,000; Long Beach, $12,243,000; Palo Alto, $15,182,000; East Orange, New Jersey, $30,526,000; St. Albans, $2,466,000; Gainesville, $18,635,000; and Denver, $2,516,000.

In addition, two projects are proposed for rescissions. They are, Baltimore, with $96,460,000 available, and Camden, $75,300,000 available.

That is about the picture for 1981—now 1982. The original request in the Carter budget was $500,930,000; the Reagan budget reduces that amount by $71,000,000 to $429,930,000. The reductions in 1982 are largely taken from those projects that are proposed for deferral or rescission in 1981 and where the same project requires additional funding above what had been appropriated through 1981.

Is that correct?

Mr. WILSON. Yes, sir, I think that is correct.

Mr. BOLAND. Let us look at the deferred projects. When did you actually receive word that projects would be deferred?

Mr. WILSON. Last Monday afternoon, sir, at one o'clock, Monday a week ago.

Mr. BOLAND. About a couple of weeks ago.

EARLIER DEFERRAL OF BALTIMORE

Mr. WILSON. Sir, I need to correct that. We had previously had a deferral request on Baltimore and Camden, that was transferred into a cancellation request, but those two projects have been on deferral for about 25 days.

Mr. BOLAND. Had you received any instructions from OMB to discontinue work on those projects prior to two weeks ago?

Mr. WILSON. No, sir, I had not.

Mr. BOLAND. Except on the deferrals for Camden and Baltimore.

Mr. WILSON. Baltimore was deferred, Camden was not in that conversation about a month ago, just Baltimore.

Mr. BOLAND. But Camden and Baltimore occur as targets a week ago?

Mr. WILSON. Yes.

CHILLICOTHE

Mr. BOLAND. Let us look at them one by one. Chillicothe, Ohio Modernization Program, according to the chart we had as of about six months ago, indicates that construction was to begin April 3, 1981. Before the deferral was issued were you still on target for that date?

Mr. WILSON. May I ask Mr. Salmond to respond.

Mr. SALMOND. No, sir; the schedule had slipped to July of 1981.

EAST ORANGE COST HISTORY

Mr. BOLAND. The table indicates that East Orange was supposed to go to construction December 1, 1980. Last year, you requested an additional $14.8 million for this project which just about doubled its original cost estimate. We provided those funds for a total of $31.7 million. I notice in the 1982 justifications on page 14-6 you

had requested another $2 million. That is correct, is it not?

Mr. SALMOND. Yes, sir.

Mr. BOLAND. So obviously you were not ready to go to construction on December first of last year?

Mr. SALMOND. That is right. We would not be ready to go into construction until April of 1982.

Mr. BOLAND. I guess it probably should be deferred.

Let me ask a couple more questions about East Orange. This project is going to be deferred for two years, is that correct?

Mr. SALMOND. Yes, sir.

Mr. BOLAND. If its cost to the taxpayers was not serious I suppose it would be comical. The improvements and corrections of fire and safety codes and heating and air conditioning for the East Orange, New Jersey Hospital were originally funded in fiscal year 1975. Actual construction funding took place in fiscal year 1978 in the amount of $13.3 million. After that, apparently not much happened, but three years later (last year) an additional request of $14.8 million was made to complete the project. Now let me read from this year's justifications:

> As reported in last year's prospectus, the project was restudied and more economical solutions were found to correct several of the deficiencies. However, the time consumed in study and redesign, including the requirement to readvertise and select a new design team, has more than offset the economies achieved because of the continuing, unusually high inflationary construction marketplace in this area.

So now you are back for an additional $2 million to complete the project. That is correct, is it not?

Mr. SALMOND. Yes, sir.

Mr. BOLAND. Who is responsible for this situation—certainly not this Committee?

Mr. SALMOND. No, sir.

Mr. BOLAND. Where can we place the blame then, in the Office of Construction?

Mr. SALMOND. We had a value engineering study last year and it was submitted to the Committee in May. It showed a savings, however the savings were precluded because we were not permitted to use the value engineering team to do the design work immediately. We were required to go back out into the Commerce Business Daily, readvertise, reselect, renegotiate and go through an audit process before we could start the redesign.

COST IMPACT OF DEFERRAL

Mr. BOLAND. How in the world can you be so far off? How much more will this project cost by deferring it for two years on top of the $2 million that you have budgeted for 1982? How much more is this going to cost you?

Mr. SALMOND. $8.2 million.

[CLERK'S NOTE.—Subsequent to the hearing, the Committee was informed that the additional $8.2 million estimated to complete the East Orange project assumes that there is a two year delay for a construction award, and not for a design award.]

Mr. BOLAND. So what you are telling us is a project which originally cost $15 million is now going to cost the taxpayer about $45 million? That is correct, is it not, if we approve the deferral?

Mr. SALMOND. Yes, about $42 million.

Mr. BOLAND. Dr. Custis, is this the kind of facility we should be spending $42 million on?

Dr. CUSTIS. I have not personally visited East Orange, Mr. Chairman. I understand that structurally it is serviceable, but it is terribly obsolete with respect to its traffic pattern, its wiring, its interior.

Mr. BOLAND. Well is it the kind of facility we should be spending the $42 million on? How important is it to the VA?

Mr. MARKHAM. It is a very important hospital in terms of its patient load, Mr. Chairman. I think one would have to judge whether to propose total or partial replacement or do this project. I would suspect a total replacement would be in the neighborhood of $200 to $250 million.

Mr. SALMOND. Much more than that; it is a thousand-bed hospital.

Mr. BOLAND. How does a project that started out at $15 million rise to $42 million if it is deferred for a couple of years? Please put that in the record. I am not being critical of you, personally Mr. Salmond; I have some real concerns about how the Office of Construction has operated in the past few years.

[The information follows:]

East Orange, N.J., cost analysis

Fiscal year 1979 budget	$16,883,000
Cost overruns due to:	
Underestimate of cost impact of patient privacy	2,400,000
Inflation of 13.5 percent from budget preparation (November 1977) to bid opening (August 1979)	2,650,000
Difficult phasing requirements including: Restricted work hours, limited work durations, joint occupancy conditions	2,850,000
Total Sept. 29, 1979 reprograming request based on low bid	7,900,000
Inflation from reprograming denial through fiscal year 1981	6,886,000
Additional inflation to anticipate April 1982 construction award due to new A/E selection to incorporate value engineering improvements	2,021,000
Anticipated inflation due to proposed budget deferral	8,200,000
Total anticipated project cost	41,890,000

GAINESVILLE DEFERRAL

Mr. BOLAND. Let us look at the deferral of the Gainesville clinical improvements. $19.6 million was provided, I believe in fiscal year 1978, is that correct?

Mr. SALMOND. $1.1 million in fiscal year 1977 and $18.5 million in fiscal year 1978.

Mr. BOLAND. I presume that project is ready to go to construction? Is that correct?

Mr. SALMOND. Yes, sir, it is.

Mr. BOLAND. Is it ready to go now?

Mr. SALMOND. Yes, sir.

Mr. BOLAND. Were there any special problems with the Gainesville project that would have suggested deferral was possible?

Mr. SALMOND. Not to my knowledge.

Mr. BOLAND. Did OMB target this specific project for a deferral, or was the VA given the opportunity to discuss the deferral with OMB?

Mr. WILSON. This is one where the telephone call came and this one was mentioned.

Mr. BOLAND. Where would OMB get information that this should be deferred? Would it come from OMB?

Mr. WILSON. I assume so, and based on the fact we were about to go to construction so it was a place to stop some outlays.

Mr. BOLAND. What will be the additional cost for deferral of this facility?

Mr. SALMOND. About $4.8 million.

NEW ORLEANS

Mr. BOLAND. How about New Orleans? We provided the $67.6 million for that project in 1981. It was originally expected that you might be able to obligate a small amount of money from the $67.6 million for architectural and engineering drawings. Can you tell us before the deferral was slapped on, was there any chance that you would have obligated any money from the New Orleans project in fiscal year 1981?

Mr. SALMOND. Yes, sir.

Mr. BOLAND. How much and for what?

Mr. SALMOND. We have obligated about $2.7 million for design and had planned about a million dollars for relocation of electrical generators to clear the area where we were going to do some construction. That was scheduled to have a contract award by June of 1981.

PALO ALTO, ST. ALBANS, AND WASHINGTON, D.C.

Mr. BOLAND. What about Palo Alto, St. Albans and Washington, D.C.? The funding for those projects was nearly all provided before fiscal year 1981. Were there any special problems with any of those three projects that would have suggested that a deferral was a wise move?

Mr. WILSON. Not to my knowledge, sir.

Mr. SALMOND. No.

Mr. BOLAND. And not to your knowledge?

Mr. SALMOND. On St. Albans laundry we are going to a new building design there, rather than trying to modernize an antiquated building and shoe horn in a laundry which really would not have worked.

Mr. BOLAND. Are you ready to go ahead with that?

Mr. SALMOND. We are ready for the design.

Mr. BOLAND. What I would like you to do is to take the seven projects deferred for two years that we just discussed and rank them by order of which projects could actually have been obligated for architectural and engineering work or for actual construction—beginning with number one as the earliest, down through the last. In other words, the ranking should be based on where you stood with these projects approximately one month ago.

You may do this for the record.

Mr. MARKHAM. Sir, were there not eight projects deferred for two years?

Mr. BOLAND. Eight, beginning with number one as the earliest, down to the last. In other words, the ranking should be based on where you stood with these projects approximately one month ago.

[The information follows:]

RANKING OF DEFERRED PROJECTS BY PLANNED OBLIGATION

PROJECT, CONTRACT, AND DESCRIPTION

Long Beach, Calif.—Design; Research and education addition.
Washington, D.C.—Construction; 120-bed nursing home care, clinical facilities and underground parking garage.
East Orange, N.J.—Design, Improve and correct environmental deficiencies.
Palo Alto, Calif.—Construction; Surgical addition.
New Orleans, La.—Construction; Modernize/expand clinical, outpatient, research and education space.
Gainesville, Fla.—Construction; Clinical improvement and research and education.
Chillicothe, Ohio—Construction; Modernization (Buildings 24, 31, 35).
St. Albans, N.Y.—Design; Laundry consolidation.
Denver, Colo.—Construction; Clinical support wing, air conditioning, safety and fire deficiencies.

ST. ALBANS COST/BENEFIT ANALYSIS

Mr. GREEN. Could I ask about the St. Albans project? I understand that was planned to be a consolidated laundry facility for a number of other VA facilities in the New York area.

Was any cost analysis return on investment analysis done to show what you would be saving at that facility and could you supply that for the record?

Mr. WILSON. Yes, sir.

[The information follows:]

Laundry is presently accomplished at three locations in the New York area. The present annual cost of this service is approximately $2,150,000. We estimate that the annual operational cost of the new St. Albans laundry will be approximately $1,450,000. Thus, a savings of $700,000 annually. In addition, to this savings, the new laundry will obviate the need for upgrading the existing laundry facilities.

CAMDEN RESCISSION

Mr. BOLAND. Let's discuss the two projects proposed for a rescission of funds. They are the Camden Hospital and the Baltimore Hospital. Let's start with Camden. Funding for that project was provided in the fiscal year 1980 bill. I believe we all know the project has had a long, sorry history. Let me go back to the record from last year. I believe we appropriated a total of $75,300,000 for that project. Is that correct?

Mr. MARKHAM. Yes, sir.

Mr. WILSON. Yes, sir.

Mr. BOLAND. When we appropriated the construction funding of $67.8 million, the Committee indicated that the funds were not to be obligated unless the State of New Jersey appropriated the necessary funds for the operation and construction of South Jersey medical school campus at Camden. We asked Vic Miller last year if the New Jersey State Legislature had appropriated the funds. He

responded on page 185 of the last year's hearings that funds had not been appropriated.

Mr. Wilson went on to say, "There has been some recent action that indicate they are about to proceed to provide a certain amount of money."

Did they ever appropriate any money during the past 12 months?

Dr. CUSTIS. Yes, sir.

Mr. BOLAND. How much and for what?

Dr. JACOBY. It was $9 million, Mr. Boland. I am looking for the date—

Dr. CUSTIS. I think it was the month of July.

Mr. BOLAND. In July of 1980, was there an appropriation of $9 million by the State of New Jersey for some sort of a facility? What sort of a facility?

Dr. JACOBY. They had $9 million, Mr. Boland in a fund. What they needed was an action by their House—

Mr. BOLAND. They had $9 million in a fund. What kind of a fund?

Dr. JACOBY. That I cannot answer.

Mr. BOLAND. Did they take $9 million from that fund for this particular project?

Dr. JACOBY. Yes, sir.

Mr. BOLAND. What kind of project was it to be?

Dr. CUSTIS. It was to be for the south campus of the University of New Jersey Medical School. There is to be a building for faculty in the Cooper Hospital Compound. It is to be a combined osteopathic and allopathic medical school.

Mr. BOLAND. So they did make $9 million available for the facility you just described, Dr. Custis.

What would be the total cost for the facility you just described?

Dr. CUSTIS. We would have to submit that for the record.

Mr. BOLAND. Can you give us a figure off the top of your head?

Dr. CUSTIS. I could not even do that.

Mr. BOLAND. That sounds like an expensive project.

[The information follows:]

Total cost will be $9,000,000 for a 67,000 sq. ft. four story research building. Additionally, the medical school has to rent approximately 40,000 sq. ft. from Cooper Medical Center in the cost range of $400,000 per year for office and education space.

Mr. BOLAND. Give us a status report on the Camden project during last year, and indicate at what point you were when the rescission proposal came down about two weeks ago.

Were you still planning a hospital of 193 beds?

Dr. CUSTIS. No sir. At what point in time, sir?

Mr. BOLAND. Up to two weeks ago.

Dr. CUSTIS. Realizing last summer the size of the hospital had been eroded by inflation and that at best we could build no more than a 150-bed hospital, we decided instead of building a hospital that would be of that size in a community of tertiary care in the greater Philadelphia area, that we should instead build a geriatrically focused hospital and institution for degenerative diseases. When staff got through with the tentative design of what that might look like, it turned out to be a 124-bed facility in association with a 120-bed nursing home.

Mr. BOLAND. Give me those figures again.

Dr. CUSTIS. 124-bed hospital. Forty beds for Degenerative Musculo-Skeletal Nursing Unit; 40 beds for Degenerative Central Nervous System Diseases and Debilities Nursing Unit; 40 beds for Cardiopulmonary Disability Nursing Unit and a four bed Intensive Care Unit; and 120 beds for nursing care. This would be an institution for gerontology. It could be a show place.

CHANGE IN MISSION AT CAMDEN

Mr. BOLAND. At that cost it should be.

But the mission of this particular hospital has changed over the years. The original mission described on page 185 of the hearings for this Committee in 1981, was, and I quote "We are currently planning a 193-bed hospital and a 120-bed nursing home. . . [The original plan] was 360 hospital beds and 120 nursing home care beds."

What caused the slippage in the number of beds from the original plan of 360, now down to 124, and the change in the mission of the hospital?

Dr. CUSTIS. Mr. Chairman, this came about in the spring and summer months, to quote from a white paper, "The VA, realizing the funding limitation was seriously compromising the project scope, one could not build a facility at 150 beds or less. Of necessity it becomes something too small in terms of critical mass——"

Mr. BOLAND. And cost?

CUSTIS. Correct.

"The VA, realizing that the funding limitations was seriously compromising the project scope, found it necessary to re-evaluate the veteran medical care needs of the South New Jersey/Camden area. Based on age-specific demographic analysis and historical incidence and prevalence rates for several diagnoses, the requirement to meet the needs of the aging veteran and the VA's priority mission of rehabilitation was further highlighted. With this in mind, the Department of Medicine and Surgery, through the collective efforts of the responsible program officials, submitted to the Chief Medical Director a proposal for the mission, program and size for the Camden VAMC."

This is also in keeping with the original demographic data which told us that our real need was for extended care beds, not acute beds. This concept fit in with that original recognition of need. I hasten to add this is still a hospital but we will have no tertiary care facility. There will be an emphasis on ambulatory care and other optional needs of care such as hospital-based home care. It was something that all parties including the school, including the Dean and his senior staff, including the authorities at Cooper Hospital, became very enthusiastic about, that this would be very innovative, this could capture national attention. This would be something we could be proud of.

Mr. BOLAND. Is there any other facility like it in the Country?

Dr. CUSTIS. No, sir; it would be a pathfinder and we would not be particularly proud of something less than a 150-bed facility.

Mr. BOLAND. Are you telling me that all you can build for this amount of money is a 124-bed hospital plus a 120-bed nursing home?

Dr. CUSTIS. That is what we were told by the engineers.

Mr. BOLAND. Is that not an expensive hospital?

Mr. SALMOND. Yes, sir.

Mr. BOLAND. How much per bed is that?

Dr. CUSTIS. About $700,000.

Mr. BOLAND. Someone in the back row says it is about $600,000 per bed.

Mr. HOFFMAN. $600,000 per bed would not include the 120 nursing beds, so it is less than that.

Mr. BOLAND. The nursing home is $10 million.

You are totally sold on that, and I am not sure you are impressing me. You have a 300-bed hospital pared down to 120 beds, and you fill it just because it is a pathfinder.

Dr. CUSTIS. If we were to build a 120-bed military hospital in Camden, I would just as soon have a pull out. I will not have seen our purpose.

Mr. WILSON. There has been a hold on the project and there was a contemplation the entire project would be resurrected. For years there was plenty of money in the budget. This is the only new hospital in our planning. Most of our hospital projects are replacement hospitals.

BALTIMORE

Mr. BOLAND. Let's talk about Baltimore. I hope I will get some help from some of the Members on the Baltimore project—it has a very distressing history. Would you agree with that?

Mr. WILSON. Yes, sir.

Mr. BOLAND. Last year on pages 168 and 169 of the hearings I asked Vic Miller if he still expected to obligate funds for the Baltimore project in fiscal year 1980. Vic answered that he did—in fact, that the first phase of construction would be awarded in the summer of 1980.

Of course, that construction never went ahead, for reasons we will get into in a few minutes, and the project is now up for rescission.

I also asked Vic Miller last year if the additional $7.7 million requested for the project in the fiscal year 1981 budget was the last dollar that would be required. He responded affirmatively. Now, do you want to tell the Committee why you had to propose an additional request for $8 million for fiscal year 1982 before the rescission was proposed and why the project is almost one year further behind schedule from the time that Vic Miller was talking about?

Mr. SALMOND. As stated in the prospectus on page 14-11, additional funding is requested to offset the premium cost and resulting inflation associated with a determination to employ minority contractors for construction of the first phase of the work.

ROLE OF THE SBA 8(a) PROGRAM

In fact we were ready with the drawings, to go on the market and have a construction award last summer. However, prior to that time, beginning in the winter and in January, 1980 and carrying on through June, we had conversations and meetings with the Small Business Administration in an effort to have the Phase I portion of the construction work set aside for the SBA 8(a) program.

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Mr. BOLAND. Please indicate what an 8(a) program is.

Mr. HOFFMAN. It is a program to set aside a certain number of your projects for minority contractors to be negotiated through the SBA.

Mr. BOLAND. With projects of this size? What is the size of this project?

Mr. HOFFMAN. Six million dollars.

Mr. BOLAND. Would projects of this size normally be excluded from the regular bidding process and turned over to an 8(a) minority contractor negotiation process?

Mr. HOFFMAN. I would not use the word normally, sir. The original size was $11 million; the figure $6 million was the amount finally agreed on.

Mr. BOLAND. Have any of the other major hospital modernization or replacement projects currently under construction or completed in the past year or two gone through an 8(a) process for either phase I or phase II?

Mr. SALMOND. None.

Mr. BOLAND. Do I understand correctly, that you estimate for every project involved in an 8(a) contract, the project will ultimately cost from 15 to 18 percent more?

Mr. SALMOND. We normally estimate 15 percent.

Mr. BOLAND. I have here a chronology of what appears to be painful negotiations. It appears that in January and February of last year there were a number of meetings and letters between the Veterans Administration, the Small Business Administration and the Maryland minority contractors involved in this project. Also, it indicates that during January and February of 1980 you received correspondence from five Members of Congress urging minority contractor participation in the new hospital. On March 13, 1980, the Veterans Administration wrote to the Philadelphia SBA, indicating that the VA would consider awarding the phase I contract under the 8(a) program if certified minority firms or joint ventures were approved by the VA.

Up to the time that that letter had been transmitted to the Philadelphia SBA, what was the Office of Construction's view on minority participation in this contract, and what in particular were the contracting officers' recommendations?

MINORITY CONTRACTOR QUALIFICATIONS

Mr. SALMOND. I have invited the contracting officer here, Mr. William Fote. I think he should speak for himself; as the contracting officer that is his responsibility.

Mr. BOLAND. What were your recommendations with respect to minority participation in this contract?

Mr. FOTE. The way we had it originally set up, Phase I was going to include the excavation, the foundations and the underground parking garage. We had some very difficult work there, structural work, in addition to the excavation. The contractor that was being proposed was an excavation contractor. In my personal opinion he was not qualified and did not have the management expertise or knowledge to do this portion of the work.

Subsequent to that, we revised Phase I and took most of the structural work out of it. It went from approximately $11 million

worth of work to $5 million, and it was relatively simple at that point.

Mr. BOLAND. When you took the structural part out it became an excavation job, did it not?

Mr. FOTE. Yes.

JOINT VENTURE REJECTED

Mr. BOLAND. On May 28, 1980, the VA advised the Baltimore SBA by telephone that the proposed joint venture of Robert Clay Potts and Callahan was rejected on the basis that that particular joint venture was not qualified to do the complex Phase I work.

In view of your decision on that particular joint venture, do you believe that Robert Clay was qualified to bid, or could have successfully bid Phase I work under a normal bidding procedure?

I am talking about the entire Phase I work now.

Mr. FOTE. That I do not know. We got records of all his past contracting experience. He did quite a bit of 8(a) work for various Federal agencies; most of it was excavating, paving, and work like that. He did very little competitive work. I do not know about his bonding capacity.

Mr. BOLAND. In your judgment was he qualified to bid the entire Phase I work under a normal bidding procedure?

Mr. FOTE. No.

Mr. BOLAND. After that, a substitute joint venture was arranged with Robert Clay and Whiting-Turner. This joint venture was approved by the VA on May 29, 1980 and on June 16 the Administrator set aside the Phase I construction award for this joint venture. Why did you feel this particular joint venture would not work?

Mr. FOTE. We thought the joint venture of Clay-Whiting-Turner would work. Whiting-Turner is one of the biggest contractors in Baltimore and their joint venture with any minority contractor could do the job.

SBA REVERSAL

Mr. BOLAND. On June 20, 1980, the Philadelphia SBA indicated that they had approved the joint venture of Robert Clay and Whiting-Turner for Phase I. However, about six weeks later, on August 5, 1980, the Philadelphia SBA reversed itself, indicating that the joint venture of Clay-Whiting-Turner was being terminated because Public Law 95-507 only permits joint ventures between socially and economically disadvantaged firms. Do you want to describe that kind of a joint venture between socially and economically disadvantaged firms?

Mr. FOTE. Between two minority contractors.

Mr. BOLAND. How did that goof-up occur? It was not you—it all occurred out of the Philadelphia office. Was anybody in VA aware of the intent of Public Law 95-507 at the time you approved the Clay-Whiting-Turner joint venture?

Mr. FOTE. We were not aware, but we should have known.

Mr. BOLAND. I understand that a second joint venture was attempted, but that also failed.

Mr. FOTE. SBA failed to come up with a joint venture of Clay with Fletcher & Sons who do a lot of 8(a) work for the VA and others.

Mr. BOLAND. Why did that fail?

Mr. FOTE. I guess they did not like the marriage.

Mr. BOLAND. As a result of that you were forced to redo all of Phase I so Robert Clay, Inc. could negotiate on the project for his firm as a single entity. That is correct, is it not?

Mr. FOTE. SBA proposed this because they knew they had a problem. They are the ones who suggested that we reduce the scope of Phase I down to where it was something Clay could manage. This was not our suggestion, this was SBA's suggestion.

Mr. BOLAND. Now I understand the Veterans Affairs Committee may be considering looking into the question of whether 8(a) minority contracts should be applied to projects of this size—particularly in view of the enormous costs involved with the negotiations and with the delays. What is your view of that?

Mr. SALMOND. We recognize the problem of delays. However, it is a Congressionally-mandated program and as an agency, I think it is our responsibility to attempt to carry out the program. This is one of the problems with it. We recognize it.

Mr. BOLAND. Obviously, even if this rescission is not approved, before you could get this project back on track it would involve another delay of at least another six to nine months (based on a supplemental/rescission bill not becoming law until August of 1981), and that delay would cost an additional $8-10 million. Isn't that correct, based on your own inflation estimates?

Mr. SALMOND. No, sir. The $8 million inflationary cost is because Phase I is delayed. This obviously would delay Phase II, the major portion of the contract. That is why we needed the $8 million—the money gets pretty big there. On the last page—maybe I did not answer the question.

Mr. BOLAND. You have $8 million in the 1982 revised budget for this project, have you not?

Mr. SALMOND. Yes.

Mr. WILSON. Sir, not anymore.

Mr. BOLAND. But you requested $8 million for 1982. Based on a supplemental rescission bill which will not become law for another five or six months, that delay would cost another $8 million to $10 million.

Mr. SALMOND. One percent per month, sir.

Mr. BOLAND. Would this $8 million be the last of the monies you would be requesting for this hospital?

Mr. SALMOND. No, we would need an additional one percent per month beyond February 1981, until the contracts are awarded.

Mr. BOLAND. So it would be one percent a month, through at least August of this year.

Do other Members have any questions in this area?

Mr. YOUNG. Mr. Chairman, are you preparing to move on to another subject?

Mr. BOLAND. Yes, in a moment or two.

What is your feeling on the proposed rescission of the Baltimore hospital?

Mr. WILSON. Sir, we had been planning on building the Baltimore hospital for a long period of time. Thereafter the plan was to maintain Perry Point; then to turn the downtown hospital that currently exists, that is called Loch Raven, into an extended care hospital after the downtown hospital next to the medical school is built. This is a project which has been ongoing. The University of Maryland owned land downtown. We bought the land, spent the money, and now own the land. The hospital, I would say, would fall in the category of the one Mrs. Boggs talked about in New Orleans. It is one that has an expressed need as far as we can see, but we are caught in a situation of the economic program of the President, attempting to do something about inflation and cut down Federal spending.

Mr. BOLAND. The VA did not make the decision to rescind funds for the Camden and Baltimore hospitals?

Mr. WILSON. No, sir.

Mr. BOLAND. If the new Administration wanted you to identify two hospitals for rescissions, would you have recommended these two?

Mr. WILSON. If I were asked to come up with two hospital rescissions, given there was a $75 million cap on Camden, I am certain I would have recommended that hospital be cancelled. With respect to Baltimore, I would have consulted with Dr. Custis, and I suspect we would have selected some other hospital other than Baltimore.

Dr. CUSTIS. We in the Department of Medicine and Surgery and the Office of Construction thought hard about what could be done in the form of rebuttal at a time when we were invited to make such a rebuttal.

Mr. WILSON. In the out years this was a logical project to save money. I am talking in terms of total medical needs.

Mr. BOLAND. Are you going to permit this hospital to go through Phase I construction without planning to build a structure on it?

Mr. FOTE. That is the way it is planned.

Mr. BOLAND. But the way it is planned will cost you more money—if you proceed with Phase I, which just includes excavation and no structure, do you have to have a phase II and III?

Mr. FOTE. No; we were planning to do the remainder of the hospital in one remaining phase; $80 million for the second phase.

Mr. BOLAND. How much more money is it going to cost you to split Phase I into excavation, structure and completion of the hospital? As I understand it, you are going to have two phases, first the excavation—

Mr. FOTE. Then the remainder of the facility.

Mr. BOLAND. How much more will it cost you by splitting it that way?

Mr. SALMOND. We do not believe it will cost any more. Had we gone on the market in June, when it was planned, we do not believe we would have been in here asking for $8 million.

Mr. BOLAND. As a matter of fact, the delay has added $8 million to the cost of this building.

Mr. WILSON. Plus one percent per month continuing from February 1981.

Mr. BOLAND. If this is not rescinded, what are you going to do with Fort Howard, keep it open?

Dr. CUSTIS. Yes, sir.

Mr. WILSON. Probably. If we built Baltimore, we would modernize Loch Raven and the plan was to close Fort Howard.

Dr. CUSTIS. Maybe I misunderstood your question, Mr. Chairman.

Mr. BOLAND. If we approve the proposed rescission, what will you do with Fort Howard?

Mr. WILSON. I think we will keep it open.

BAY PINES REPLACEMENT

Mr. YOUNG. Mr. Chairman, thank you very much. I feel a little out of place talking about a project in Florida since it is not scheduled for any construction curtailment or suffering any reductions in budgets. But I would like to ask for the record about the current status of construction at Bay Pines.

Mr. WILSON. About 50 percent complete.

Mr. SALMOND. The main hospital building is about 50 percent complete, the nursing home is complete, the domiciliary is complete. The alteration work is estimated to begin in January of 1983.

Mr. YOUNG. My statement is accurate, then, that there will be no request for reduction in the funding for the $110 million project plus the $1,985,000 replacement boiler plant? There is no anticipated reduction in any of those?

Mr. SALMOND. No, sir.

POTENTIAL COST PROBLEM

Mr. YOUNG. But I do understand there may be a problem with the original cost estimates relating to renovation of existing buildings once the new construction is complete.

Mr. SALMOND. Yes, sir.

Mr. YOUNG. Does that appear to be a serious matter at this time?

Mr. SALMOND. I consider it fairly serious, yes.

Mr. YOUNG. Can you explain the extent of the problem?

Mr. SALMOND. As you know, when the project first came into the budget it had escalation to the date of September 1978 for all parts of that project, and we are being eaten up by the escalation going on in the alteration part of this project, not being able to get in and do the work because there are patients in the building. We have what we consider a $4 million or $5 million problem.

Mr. YOUNG. I also understand there is something that was not anticipated, and that is the need for additional shoring or strengthening of foundations of the existing buildings.

Mr. SALMOND. Yes, sir, we knew about the problem when we originally got into the design, and we had anticipated that problem would be solved by repair projects done by the Department of Medicine and Surgery. However, the problem is so serious, and it is extremely difficult to do the work because the work occurs in the pipe basement, that it would be better for the work to be done when the building is evacuated and most of the piping would be

removed. We can then get about down in the pipe basement much easier.

Mr. YOUNG. That would not be until after completion of the main hospital, which is anticipated for fiscal year 1984, if I understand correctly.

Mr. SALMOND. We would hope to complete the hospital so that we could vacate the old hospital building and start construction by January of 1983.

Mr. YOUNG. By 1983?

Mr. SALMOND. Yes, sir. Incidentally, the structural costs that we face—and these are additional costs not in the $110 million—are really unknown to us because we are not able to get in there and get a totally accurate survey of the problem. We have not gone in to uncover existing foundation pile caps to see if there is damage to them.

Mr. YOUNG. There are other buildings at the Bay Pines Center that are vacant and were originally scheduled for demolition. Those buildings are no longer scheduled for demolition. They will be preserved for possible future use, is that correct?

Mr. SALMOND. Yes, sir.

Mr. YOUNG. I am very pleased about that, and so are the people at Bay Pines, because they are good buildings.

It does not appear we have any immediate problem with the Bay Pines project. What we are talking about is something none of us anticipated, an extremely high rate of inflation in the last couple of years.

I appreciate your response very much.

Mr. BOLAND. Mrs. Boggs.

NEW ORLEANS

Mrs. BOGGS. Mr. Chairman, thank you. Mr. Chairman and ladies and gentlemen, when you asked about the VA hospital in New Orleans, I understand that you asked if any of the monies could be spent in 1982, and were told the clearance of the architectural/engineering contract and moving the generator from the site were planned for this year. However, I do not think, for the record, that you were told that the groundbreaking could take place early in calendar year 1982.

And also, Mr. Chairman, the design contract has already been let to Perez & Associates, so monies have been spent and continue to be spent. Also, if we defer the building of this hospital complex for a two-year period, the VA has now estimated it will cost the taxpayer an additional $16.5 million. I would like to point out that the clinical, outpatient, research, and education facility is one that has been planned this way from the beginning and has not been changed as some of the others have been changed. The needs are still there and the project is still in place in response. It is important to note that the current patient load of our outpatient area is 15 times greater than it was ever planned to be.

No significant footage has been added since 1952 so that the GAO study pointing out needed additions in this area is still valid. The design is in place. We appropriated the monies. To defer the building of these facilities is going to cost $16.5 million more. I would like to ask, Mr. Administrator, what the attitude of the

Veterans Administration is on this type of funding decision. Do they really think it is indicated.

Mr. WILSON. I do not think I can add to what I said yesterday. I realize the work going into this project. I recognize the land problem we had down there that we finally solved. Certainly we in the Veterans Administration have recognized the need and as you indicate the ambulatory care load there has multiplied 15-fold. That certainly is a correct statement. And I cannot really add to what I said yesterday. This was a decision predicated on the President's economic program and the President's attempt to cut Federal expenditures. The inflation rate was taken into consideration as that decision was made. It is just a fact of life insofar as the Veterans Administration sees it at the moment.

PLANS BEYOND SIMPLE DEFERRAL

Mrs. BOGGS. Do you see it really as a deferral? Do you think that the deferral message seems to indicate that this and eight other deferrals are being placed in a holding pattern pending review and consideration of alternative means of providing quality health care?

Mr. WILSON. Mrs. Boggs, I have no information of any nature whatsoever that this is anything but a deferral. If you are indicating you think the deferral might lead to cancellation, I have no indication with respect to that at all. With respect to the idea of different alternatives of providing quality medical care to veterans, I would suppose that refers to some of the newspaper stories and some of the recommendations that have been made that Dr. Custis referred to yesterday and things like that. I have no indication that the medical program would go in that direction.

Mrs. BOGGS. I do not think we reiterated yesterday that the planned extension is in the middle of a remarkable medical complex and that the research facilities within that complex are shared among Veterans, LSU Medical, and Tulane Medical Centers.

Mr. WILSON. I have not been there in a long time but we would stipulate it is in the middle of a very good medical center complex.

Mrs. BOGGS. The research that has been done in a collegial fashion among these great institutions has produced prize winning results. The benefits that have accrued to the general public as well as to the veteran public are enormous.

Mr. WILSON. We have great pride, as I know you do, in the fact one of our research doctors down there received the Nobel Prize. Dr. Shalley.

Mrs. BOGGS. There were two other construction projects in Louisiana that I would like simply to touch on if I may. Do you know if the ambulatory care addition for Shreveport, Louisiana was cancelled? It was budgeted for $1,551,000.

Mr. WILSON. That was one of the nine I think, was it not? The only information we would have Mrs. Boggs, would be the same information that relates to all the projects.

Dr. CUSTIS. The decision made was to cancel because available funding would permit only limited improvements to ambulatory care. Even with these improvements all segments would fail to meet functional criteria. Alternatives are being explored through

APF process in conjunction with other planned projects at the center.

Mr. WILSON. I thought it was one of the nine. My answer was incorrect.

Mrs. BOGGS. Last year I asked about the progress of the satellite outpatient clinic at Baton Rouge. Once again I add, I realize this is a GSA responsibility, but since the Subcommittee has no opportunity to ask questions of GSA I wonder if you could bring me up to date. Last year you said it was scheduled to be completed in May 1980 and to open in June, 1980. Is that now an open and functioning satellite outpatient clinic?

Dr. CUSTIS. We will have to supply that for the record.

Mr. WILSON. I believe we had a small dedication service down there, Mrs. Boggs but I think we need to check it.

[The information follows:]

The Baton Rouge satellite outpatient clinic is now open and functioning. It was accepted for the VA by GSA July 14, 1980. It was officially opened by VA (day of dedication) on Auguest 24, 1980.

Mrs. BOGGS. Mr. Chairman, I thank you very much. I hope we can reconsider the ill-advised expenditure of the peoples' money, the lack of care for the veterans who so badly need it and the holding back of research that is vital to the health of all Americans. Thank you, Mr. Chairman.

Mr. BOLAND. Thank you. Mr. Sabo?

MINNEAPOLIS

Mr. SABO. I am curious about the current status of the planning in Minneapolis—$15 million was appropriated last year. My understanding is an architect has been selected and VA is currently negotiating details of that contract. Is that accurate?

Mr. SALMOND. Negotiations have been completed and it is being audited.

Mr. SABO. When do you expect that to be finalized?

Mr. SALMOND. Hopefully in about a month.

Mr. SABO. When would you expect that the architect will have done his work and when will the VA be ready to request the construction funds? Would you expect that for the 1983 budget?

Mr. SALMOND. Very possibly.

LIST OF PRIORITIES

Mr. BOLAND. Last year we asked you about your five-year plan, and we asked you to submit for the record, the top ten projects currently carried in the plan. You listed them on page 168 of last year's hearings. As of last July, these projects are the same. Are they still holding?

Mr. WILSON. They are still holding.

Mr. BOLAND. So the current top ten are the ten listed on page 168 of last year's hearing, of which Minneapolis is number one. Is that correct?

Dr. CUSTIS. Yes, sir.

Mr. BOLAND. How long does a project stay on this preferred list? If you get into planning or architectural drawings, is a project removed from the list?

Dr. CUSTIS. You recall, Mr. Chairman, this list came out as a result of a request on the part of the House Veterans' Affairs Committee that we furnish such a list. We found a difficulty in the selection process.

Mr. BOLAND. You do find difficulties.

Dr. CUSTIS. Yes, sir. I suppose that if we had our druthers we would rather not go on record year after year with a list of priorities because of the complexity of that decision. In any case we have not tried, not having been asked to do so, we have not revised the list.

Mr. BOLAND. You can give us the same list next year or the year after that. You would not have any problems with that, would you?

Mr. WILSON. As you say here Minneapolis is listed as number one. That gives the inference to a lot of people that it is the hospital we are about to build first.

Mr. BOLAND. That is right.

Mr. WILSON. The fact is the plans have not been drawn for Minneapolis yet and it cannot be the hospital we build first but it could be the hospital most in need.

Mr. BOLAND. As Mr. Sabo pointed out last year it is always a hospital which is on the ten-wanted list, is that correct?

Dr. CUSTIS. That is a euphemistic way of putting it. My staff tells me work is going on now and the list will be revised next June.

Mr. BOLAND. Can you give us some idea about on who gets in the top ten?

Dr. CUSTIS. May I dodge that question and ask my deputy to respond.

Mr. BOLAND. I presume that it is on the basis of need.

Dr. JACOBY. That is correct. The hospitals are chosen on the basis of multiple criteria, one of which is the status of the existing facility, if it is a replacement facility, and this is on SFDI. The demographics within the area, and the requirements for the affiliations in that area are some of the other criteria which are used in determining which hospital should be replaced.

[The information follows:]

ADDITIONAL INFORMATION REGARDING THE SELECTION OF LIST OF 10 VA MEDICAL CENTERS

In development of the list of 10 hospitals most in need of construction, replacement, or major modernization, we evaluate all known information concerning deficiencies of our medical centers. Major guides in this evaluation are the comparative SFDI rankings of medical deficiencies; the total magnitude of the individual construction projects required to correct these deficiencies; the mission and age of the medical center (recognizing that facilities constructed years ago as primarily psychiatric treatment may have major problems in meeting their current commitment for health care); and a consideration of the types of incremental construction required for continued facility operation while providing the highest quality of medical care. As an example, a facility requiring several large expenditures for seismic correction, air conditioning, replacement of utilities, and patient privacy renovation might be more economically revitalized by replacement or one major modernization project. This is a judgement factor where all known factors are analyzed and discussed by skilled professionals from several disciplines.

It should be evident that there are different and multiple inputs to the project selections of the various construction categories. However, they all are initiated from the grass roots by each medical center in the development of their own five-year facility plan. This plan is reviewed and approved first at the medical district level, then at VA Central Office and finally it is integrated into the overall VA National Plan.

ALBUQUERQUE

Mr. BOLAND. Let's look at some specific projects for 1982. The first major project is the new Albuquerque Hospital which is described on pages 14-9 and 14-10. You are requesting $11.5 million in 1982 for the working drawings. The total cost of the project is $115 million with $103.5 million to be appropriated in the future. That is correct, is it not?

Mr. WILSON. Yes, sir.

Mr. BOLAND. What is your current estimate of the date that you will award a contract to an architectural/engineering firm? What is your current construction start date?

Mr. SALMOND. We expect to award an A/E contract in October of 1981. We could, if funded, award a Phase I construction contract in October, 1982.

Mr. BOLAND. Please advise us by May 25th for all projects requested in the 1982 budget, what the estimate is on May 25th, for awarding architectural/engineering and construction contracts. Do you understand what I am looking for?

Mr. SALMOND. Yes.

Mr. BOLAND. Was Albuquerque developed in the Advance Planning Fund?

Mr. SALMOND. Yes, sir.

Mr. BOLAND. When did it first come into the Advance Planning Fund?

Mr. SALMOND. 1978.

Mr. BOLAND. The justifications would suggest under the A-95 summary on page 14-9 that there are no problems with "overbedding" in the Albuquerque area. Is that correct?

Dr. CUSTIS. That is correct.

BIRMINGHAM

Mr. BOLAND. On page 14-12, the justifications describe the new clinical addition and ward modernization at Birmingham, Alabama. You are requesting $5.6 million in fiscal year 1982 for the working drawings and a future request of $49.7 million for construction.

I noticed that this project was not one of the ten projects listed in the record last year or in the five year plan as being among top priority projects. What about that? How did this project move to a request for funding so quickly?

Mr. SALMOND. It is a product of the APF process. The same year, as a matter of fact, as Albuquerque was.

Mr. BOLAND. It was run through the Advance Planning Fund?

Mr. SALMOND. Yes, sir.

Mr. BOLAND. You just indicated that you moved Birmingham, Alabama into a construction request for fiscal year 1982 because it had come through the Advance Planning Fund and was ready to go, correct?

Dr. CUSTIS. That is correct.

Mr. BOLAND. If that is true, which projects currently in advance planning will be most likely to be ready to have a funding request made in fiscal year 1983?

Mr. SALMOND. We have to furnish that for the record.

[The information follows:]

MAJOR PROJECTS FOR FY 1983

(Expected to be Ready)

VA MEDICAL CENTER	PROJECT
Albuquerque	New Clinical SVC and Bed Building
Atlanta	2 Additional Elevators
Biloxi	Modernization
Birmingham	Expand Clin., OP, etc.
Boise	60 Bed NHCU
Buffalo	Research and Education
Buffalo	Safety and Fire
Chicago (WS)	OP Addition/Renovation
Denver	Clinical Support Wing/A/C
Fayetteville, NC	Clinical Addition
Hines	120 Bed NHCU
Hines	New Warehouse/Service Building
Hines	Electrical
Leavenworth	Domiciliary
Long Beach	New SCI Building
Lyons	120 Bed NHCU
Martinez	120 Bed NHCU
Minneapolis	Replacement Hospital
Northport	120 Bed NHCU
Omaha	OPC Addition
Pittsburgh (UD)	OPC Addition
St. Louis (JB)	60 Bed NHCU
San Antonio	120 Bed NHCU
San Diego	SCI
San Francisco	120 Bed NHCU
San Francisco	Remodel Old Hospital
Tuskegee	Replace Building 62
Waco	Safety and Fire
West Haven	Safety and Fire

MAJOR PROJECTS FOR FY 1983

On June 30, 1980, the VA provided to the Congress a Five Year Medical Facility Construction Plan which indicates those projects anticipated for inclusion in the FY 1983 appropriation request. These projects are being developed through the advance planning process. This list has not been amended to reflect adjustments made as a result of the FY 1982 budget process. In the coming months as the VA begins the development of the FY 1983 program, adjustments will be necessary. The listing follows:

VAMC	PROJECT
CLINICAL IMPROVEMENTS	
Alexandria, Louisiana	Clin Improv & Relocate Support Function
Amarillo, Texas	Addn/Renov Clin Support & Educ
Brockton, Massachusetts	Addn & Renov for SCI - 20 Bed Addn
Hot Springs, South Dakota	Clinical Addition
Long Beach, California	New SCI Bldg
San Diego, California	SCI Unit/SCI OP Clinic
Sioux Falls, South Dakota	Addn & Renov for Clin Improv, Admn & Educ
DOMICILIARY	
Leavenworth, Kansas	200 Bed Domiciliary
Los Angeles, California (Wad)	Renov Bldg 212, 214, 217
ELECTRICAL	
Ft. Lyon, Colorado	Pri & 2nd Distr & 2nd Gener
Hines, Illinois	Pri & 2nd Distr & 2nd Gener
ELEVATORS	
Durham, North Carolina	2 Additional Elevators
GENERAL PROJECTS	
Bath, New York	Renov Bldg 78 (NHCU)
Brockton, Massachusetts	Renov Bldg 2&7, Corr S&F Defic
Newington, Connecticut	Addn Bldg 1&2, HVAC, Pat Priv & Supp Sys
San Antonio, Texas	Supply Warehouse & SPD
Tuskegee, Alabama	Bed Addition
HEATING, VENTILATION AND AIR CONDITIONING	
Bonham, Texas	HVAC Bldg 2, Pat Priv, Clin Addn Bldg 1, Renov Clin Supp

MAJOR PROJECTS FOR FY 1983 cont'd.

VAMC	PROJECT
NURSING HOME CARE	
Boise, Idaho	60 Bed NHCU
Hines, Illinois	120 Bed NHCU
Loma Linda, California	60 Bed NHCU
Los Angeles, California (Wad)	120 NHC Beds (Conversion) Bldg 213
Lyons, New Jersey	100 Bed NHCU (Conversion)
Martinez, California	120 Bed NHCU
Northport, New York	120 Bed NHCU
San Francisco, California	120 Bed NHCU
OUTPATIENT IMPROVEMENTS	
Chicago, Illinois (Westside)	OPC Addn, Renovation
Grand Junction, Colorado	OP & Clinical Addn
Lake City, Florida	OPC & Clinical Addn
Lincoln, Nebraska	OPC Addition
New York, New York	OP Addn & Prost Ctr, Renov Surg & Wards
Pittsburgh, Pennsylvania (UD)	OPC Addition
Roseburg, Oregon	OPC Addition
Sheridan, Wyoming	OPC Addition
West Roxbury, Massachusetts	OPC Addition
REPLACEMENT/MODERNIZATION	
Albuquerque, New Mexico	New Clin Svs & Bed Bldg (Const)
Augusta, Georgia (Lenwood)	Replacement/Modernization (Design)
Biloxi, Mississippi	Mod Bldg 1, 5, 19, 53 (BI)/ Bldg 1, 3, 4, 41, 57, 62 (GP)(Const)
Birmingham, Alabama	Expand OPC, Admn & Educ Fac. Seismic (Const)
Houston, Texas	Replace/Modern-Incl NHC (Design)
Mountain, Home, Tennessee	Replacement/Modernization (Design)
San Francisco, California	Remodel Old Hosp (Const)
RESEARCH & EDUCATION	
Buffalo, New York	Res & Educ Fac
SAFETY & FIRE	
Buffalo, New York	Elim S&F Defic
Leavenworth, Kansas	Elim Exit Defic
West Haven, Connecticut	Elim S&F Defic
SEISMIC DEFICIENCIES	
American Lake, Washington	Correct Seismic, Pat Priv, S&F Defic

Mr. BOLAND. Still on Birmingham, on May 25th, revise this for us: what date are you currently planning for architectural engineering awards and for construction awards?

Mr. SALMOND. We would expect an A/E award on October of 1981, and a construction start of November of 1982.

Mr. BOLAND. If there is any revision on May 25th, please notify us.

DENVER

Page 14-13 describes the clinical support wing and air conditioning project for the Denver, Colorado project. That project has now been deferred for one additional year. Is that correct?

Mr. WILSON. Yes, sir.

Mr. BOLAND. This project was requested in the 1981 budget and the Committee turned down the funding because the Office of Construction indicated that it would not be able to use any of the money in fiscal year 1981. That is correct, is it not?

Dr. CUSTIS. Yes.

Mr. BOLAND. Now you are back at us with a request for $52.1 million for construction—before the project was deferred for another year. Last year you estimated the total cost of the project would be $46.5 million for clinical support and air conditioning and $1.4 million for fire and safety deficiencies. Why has VA's estimate of total costs increased by $10.1 million since last year?

Mr. SALMOND. There was a separate $1.4 million safety and fire deficiency project which we decided to combine with the major project. There is $6.5 million resulting from the moving downstream one year, and there is a $2.2 million problem that we became aware of as we further developed the project in the structural/mechanical and electrical systems.

Mr. BOLAND. So the increase was caused strictly by the delay in getting into this project?

Mr. SALMOND. Basically, half delay and half additional work.

Mr. BOLAND. I want to make it clear in the record that the increase was occasioned by the VA, not by this Committee. That is a fair statement, is it not?

Mr. SALMOND. Yes, sir.

Mr. BOLAND. Last year you said you could not use the money in 1981, is that correct? If you said you could have used it in 1981 we would have given it to you. So the delay is yours, not ours.

Let me ask, why has your estimate to correct fire and safety deficiencies risen by about 70 percent from $1.4 million to $2.4 million?

Mr. SALMOND. Are you on Denver?

Mr. BOLAND. Yes. You may supply that for the record.

[The information follows:]

DENVER, COLORADO—FIRE AND SAFETY

The $2,433,000 for Fire and Safety work at Denver not only includes the original minor construction project in the amount of $1.4 million to correct deficiencies in Buildings 1 and 19, but also includes Fire and Safety work in the new building addition. When adding inflation to the $2,433,000, the total project cost becomes $3,000,000.

PORTLAND/VANCOUVER

Mr. BOLAND. On page 14-15 the justifications describe the new Portland/Vancouver Hospital. Last year the staff of the Committee and the VA worked out an initial agreement that eventually capped this project at $176.1 million—which requires an additional appropriation of $34.8 million in fiscal year 1982. Those numbers are on page 14-16. The agreement was that a 490-bed hospital and a 120-bed nursing home would be constructed. We have had a great deal of problems with this project—is it now on track and on schedule?

Mr. SALMOND. Yes, sir.

SEATTLE

Mr. BOLAND. Let us look at the Seattle, Washington Hospital request which is on page 14-17. This project appears to be one that, regrettably, is typical of the kinds of delays we continue to be encountering with many of the projects managed by the Office of Construction. Last year you requested $15.9 million in addition to the $81 million appropriated in 1979. At that time you also indicated that a requirement for about $9.4 million in 1982 would be necessary to complete the project. We did not provide the $15.9 million last year because the Office of Construction indicated to us that they could not use it in fiscal year 1981. Now you are back at us indicating that you need a total of $29.7 million in 1982 and another $8.6 million in future years. That means that the additional cost has gone from $25.3 million to roughly $38 million to complete this project—or an increase of $13 million in a single year.

So I want to make the point again, that the Congress is not responsible for these increased costs. For some reason or other the project is being delayed. What is the problem? What is the reason for the delay here?

Mr. SALMOND. We do not consider it a delay, sir. The project was funded in 1979 and it has pretty much been on track. We are under construction out there and we are working on the foundations right now. It is true we did not need the additional escalation money in 1981. However, we do need the additional escalation money when we get into making an award for the major portion of the project, the superstructure and completion of the building. This is in keeping with the agreement I believe that was made back when these eight projects originally came into the budget, that they were escalated to September, 1978 and we would not ask for the escalation money until it was needed. In 1982 we find that we will need this amount of money to keep up with the inflation rate in the Seattle area.

Mr. BOLAND. If we provide the $29.7 million in the 1982 budget for this project and cap the project at that amount, with the understanding that no additional funds would be provided, what would be required?

Mr. SALMOND. The $8 million in the future is for the modernization of the existing structure which, here again, would not be able to be started for quite some time.

Mr. BOLAND. So, if we cap funds for the project at $29.7 million, and do not provide the $8.6 million in the future, you could not build a hospital, is that correct?

Mr. SALMOND. We could build the hospital but we would be very hard pressed to do the alteration work in the existing building. The schedule for going under construction for remodeling that building would not be until fiscal year 1984.

NURSING HOME PROGRAM

Mr. BOLAND. On 14-18, the justifications detail nine new nursing homes totaling about $65 million. How many of these are for replacement and how many are new homes?

Mr. SALMOND. Wadsworth is not a replacement, it is a remodeling, I believe. The others are new. I cannot tell you whether or not we are replacing some beds that may be existing at some of these facilities.

Mr. BOLAND. I take it eight are new and one is remodeling?

Mr. SALMOND. What you may be getting at is some of these new units might be replacing existing nursing home care beds at these facilities which I am not aware of.

Mr. BOLAND. Over the next five years, how many nursing home beds do you plan on replacing or adding to the system? What is your projected cost for the same period?

Dr. CUSTIS. By 1987 we are supposed to arrive at 13,100 nursing home beds. We are currently around 9,000.

Mr. BOLAND. What would the cost be to arrive at 13,100 nursing home beds? You can supply it for the record.

Mr. WILSON. We would not be replacing many beds. This will be an offshoot from some existing beds but these are primarily new nursing home beds as opposed to replacement beds.

Mr. BOLAND. You are adding that number to the system.

Mr. WILSON. Yes, sir.

[The information follows:]

COST TO PROVIDE 13,100 NURSING HOME CARE BEDS BY 1987

It is presently estimated that the total construction cost to provide 13,100 nursing home care beds by 1987 is $310 million.

Mr. BOLAND. Do you have a priority listing on the building, the sites and those that are to be built?

Dr. CUSTIS. We do, sir.

Mr. BOLAND. Would you supply us with that list. And would you indicate for the record by order of priority the next ten nursing homes ready for construction request.

[The information follows:]

PLANS FOR NURSING HOME CARE UNITS

In order to meet the Presidential Goal of 13,100 beds by 1987 an incremental scheduling of construction funding was needed. The criteria used to develop a schedule is based upon the percentage of need that exists in each Medical District, relevant to the projected 1987 bed level need for that District. Those Medical Districts that exhibit the lower percentages of bed needs being met are scheduled in the earlier fiscal years to receive NHC construction funding for specific Medical Centers within that District. Priority Listing fiscal year 1982—fiscal year 1985 (with beds in parenthesis) is as follows:

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Fiscal year 1982:

1 Fresno (60)
2 LA (Wadsworth) (120).
3 Wichita (60).
4 Lake City (120).
4 Tampa (120).
5 Marion, Ill. (60).
6 Ann Arbor (120).
7 Spokane (60).
8 Denver (60).

Fiscal year 1983:

1 Minneapolis (120).
2 San Francisco (120).
2 Martinez (120).
3 San Diego (30).
4 Hines (120).
5 Lyons (120).
6 Boise (60).
7 Northport (120).
8 St. Louis (JB) (60).
9 San Antonio (120).

Fiscal year 1984:

1 LA (Wadsworth) (120).
1 Loma Linda (60).
2 Miami (120).
2 Murfreesboro (120).
3 East Orange (120).
4 Providence (60).
5 San Juan (60).
6 Houston (120).

Fiscal year 1985:

1 Prescott (60).
1 Albuquerque (60).
2 Hot Springs (60).
3 Brentwood (120).
3 Baltimore (LR) (80).
4 Shreveport (60).
5 Allen Park (120).
6 Durham (60).

Mr. WILSON. Yes, sir.

GEOGRAPHIC DISTRIBUTION OF VA NURSING HOMES

Mr. BOLAND. On 14–18 you are requesting funds for the Ann Arbor, Michigan nursing home, a 120-bed nursing home targeted at $9.5 million. You indicate in your proposal that the existing number of beds represent 63 percent of Medical District #14's need for nursing home care beds and that adding 120 beds will increase that percentage to 88 percent. You are proposing a number of other nursing home care projects this year. In each case, those projects indicate what percentage of existing beds meet each district's needs. For example, in Fresno, the additional 60 beds you plan to build will bring the need there to only 57 percent. In view of this, why wouldn't it make more sense to build more beds at Fresno and delay construction at Ann Arbor?

Dr. CUSTIS. Mr. Chairman, I think this is an opportune time to describe for you what we would like to do in the way of planning. Recently, in the last year we have been more and more conscious that our planning is fragmented. We have also been criticized in the private sector because we have not worked closely enough with community interests and specifically with HSA's. We would like to reorient our planning and we have gone so far as to give a term, MEDIP, Medical District Initiated Program and Planning. We would like to add professional planners to the medical district staffs. When that is implemented we will be taking a new look at the dollar needs based on changing demographic factors.

It may well be that this will give us reason to reconsider some of the allocation of nursing home beds. We will also consider in this process the option of converting some of our facilities from hospitals to nursing homes.

Mr. BOLAND. I think you are headed in the right direction here. That seems to be the most sensible way of deciding where and how large the VA should build these nursing homes. How did you happen to select this particular nursing home unit? How did you select the others that are in this year's request?

Mr. PABST. The selection was primarily based on professional input of the extended care program personnel.

Dr. CUSTIS. To be more specific, up until now there has been a lot of centrally directed planning that has gone into the five year plan for facility construction. We would like to do a better job of grassroots planning with decisionmaking having been done with more certainty at the local level before it comes into the central office.

Mr. WILSON. I think it fair to say with respect to Ann Arbor nursing home unit it is fairly close to Detroit, close to the metropolitan area as opposed to Saginaw, Michigan. Iron Mountain which is in the Upper Peninsula, or Battle Creek.

DENVER NURSING HOME CARE

Mr. BOLAND. On 14-20 you are requesting $6.5 million to build a new 60-bed nursing home care unit at the Denver Hospital. I understand that the Colorado HSA notified VA that there are excess long-term beds in the Denver area and that VA should utilize and financially support these community beds.

Can you explain this problem—are you aware of the HSA's concern and is there some way that those beds can be utilized rather than proposing new construction?

Dr. CUSTIS. I am not aware of that situation, Mr. Chairman.

Mr. BOLAND. Is the Office of Construction aware of it?

Mr. WILSON. Our justification says they did make the observation out there and said they had excess beds. I think the significant part of the paragraph under "A-95 summary" on page 14-20 is "the VA nursing home care beds at VAMC Denver are considered necessary to care for the number and degree of physically disabled veterans not acceptable to community nursing homes." The kind of patients that will be in this nursing home are not acceptable under the pay rates of community nursing homes.

Mr. BOLAND. I presume because they would require a greater degree of care.

Mr. WILSON. Yes, sir.

MIAMI OUTPATIENT/SPINAL CORD PROJECT

Mr. BOLAND. The Outpatient Addition, Renovation, and Spinal Cord Injury Relocation at Miami, Florida is described on page 14-31. The request for 1982 is $49 million. Last year you requested $26.6 million for the same project. The Committee specifically denied the request because it had learned from other sources that the request was wholly inadequate to do what you described you could do for $26.6 million. This is probably one of the worst cases of what we have been struggling with for so many years with the Office of Construction—and that is, that there is something very wrong with the way these projects are estimated. Your current proposal states that this year's estimate is based on a greater inflation rate and that VA experienced a three percent per month escalation rate in Dade and Broward Counties. Even at three percent month, it does not seem that the increase would nearly double in cost. What about that?

Mr. SALMOND. This is the information I have. I do not have anything further.

Mr. BOLAND. Please provide the answer for the record.

Mr. WILSON. I think our justification last year for that planned activity was probably not sufficient.

[The information follows:]

MIAMI, FLORIDA—COST ESCALATION

Recent bid experience at the Miami Medical Center for the Research and Education Building and for other projects in the area indicate that the actual current costs for construction are higher than we previously estimated. The current estimate reflects our updated basic construction costs.

Our own investigation of construction activity in the Miami area, shows an expanding volume of work with no let up in sight. This is causing shortages of skilled construction workers, limited competition among contractors, and rapid escalation of costs. Currently inflation is running at about 3% per month, and it is expected to continue at that rate. The current estimate includes an allowance for that rate of projected inflation to the anticipated date of construction contract award.

Of the $22.3 million incurease, $6.6 million reflects the basic construction costs, and $15.7 million is for projected inflation.

ST. ALBANS' LAUNDRY

Mr. BOLAND. One of the projects deferred is described on page 14-38. This is the one Mr. Green expressed some concern about earlier. You were requesting $10.7 million to construct a new laundry building at Brooklyn. However, these funds were provided in fiscal year 1976 and 1978 to upgrade the existing laundry building at St. Albans. You have changed your game plan here once again, I wonder, why didn't you come up with what you now believe is the most cost-effective solution in your initial planning process? In short, what was wrong with your initial planning? What will be the impact of the two-year deferral in this project?

Mr. SALMOND. I would like to furnish that for the record.

ST. ALBANS—LAUNDRY

A two year deferral would require $3.3 million more for inflation.

Mr. BOLAND. Are you going to explain what was wrong with the initial planning?

Mr. SALMOND. I alluded to it earlier in that we were attempting to place a laundry in what used to be an existing laundry building for the St. Albans Hospital. Mr. Green pointed out that this is a consolidated laundry we are trying to build which will handle more than just the St. Albans Hospital. It will handle eight million pounds a year. We realized we had to use proprietary laundry equipment and we were going to get in trouble with the laundry machinery manufacturers and very likely a lot of other people.

Therefore we tried to work out other means of funding the project, and finally we recognized that we really needed to build a new facility large enough to handle this amount of work properly.

HINES SUPPLY DEPOT

Mr. BOLAND. On 14-40, Supply Depot Expansion, you are requesting $9 million to construct a new addition to Building 37 at the Hines Supply Depot in order to expand the loading dock and storage space, and provide additional air conditioning capability for drugs and other refrigerated items.

Last year VA requested $8.8 million for this project, while GAO reported to the Administrator of Veterans Affairs that VA had not

justified the planned expansion. The GAO report, dated February 26, 1980, stated that the need for more space was not clearly established and that alternatives such as reducing inventory levels, leasing space, or reallocating inventory were not considered. The Administrator of Veterans Affairs responded to the GAO report on May 23, 1980, by concluding that he believed the project was justified and that he had considered the options GAO recommended.

VA's request for $8.8 million was not approved last year. On May 23, 1980, you provided your 60-day response to the above-mentioned GAO report on this project. In your response you stated that a majority of the project cost is devoted to (1) correcting existing deficiencies identified by the U.S. Department of Labor Occupational Safety and Health Administration, (2) improving the heating and electrical systems to reduce energy consumption, and (3) providing access to handicapped personnel, there by allowing greater flexibility in hiring practices. These three items do not appear to relate specifically to a projected need to increase warehouse space. Can you tell us how much of the $9 million is attributable to each of these three items, and how they affect the need for additional space? What is the real need for additional space based on: increased inventories or the above three items?

Mr. WILSON. Mr. Clyde Cook will respond.

Mr. COOK. Based on both. First the most important thing. This building was built 40 years ago. It served the Veterans Administration, which was a smaller agency 40 years ago, and is still serving in the same geographical part of the country far more hospitals and beds. One of the greatest needs is for docks to get trucks in and out of the place. We pay trucks to wait today because we do not have enough docks to get them in to load and unload. In addition to that since the design was taking place to provide docks, they picked up the recommendation that there be an exit in case of fire, somewhere in the center of the building, which does not exist today. It would be an exit that would go up to the roof and out. That was the second most important thing. The total amount of space being added for storage is maybe three or four percent.

Mr. BOLAND. Now in your response you also stated that you considered a "buy commercial" policy as GAO had suggested. You also said that all indications are, that the demand for medical supplies and food will continue to increase, despite progress in implementing the "buy commercial" policy. Do you have any current figures on this? How much difference has the "buy commercial" policy had this past year?

Mr. COOK. Over the past year we have removed from central storage depots about 300 items and have gone through commercial distribution channels. However, the one thing that does not inflate is tons. And the number of tons we handle in that depot has gone up at the same time the number of items has gone down.

Mr. BOLAND. You indicated in your response that the Marketing Center at Hines was in constant contact with the Supply Depot concerning planned expansion but it was not always documented. Has anything been documented in the past year? If so, what do you have from the Marketing Center? Have they provided any specific information concerning projected inventory levels? If so what are the current inventory projections?

Mr. COOK. The current inventory projection—I do not have it for Hines. I will supply it for the record.

[The information follows:]

VA Marketing Center estimates of Hines Supply Depot inventory

[In thousands of dollars]

Fiscal year 1980:	
Dec. 31, 1979	[1] 20,565
Mar. 31, 1980	[1] 20,615
June 30, 1980	20,068
Sept. 30, 1980	20,346
Fiscal year 1981:	
Dec. 31, 1980	[1] 23,388
Mar. 31, 1981	[2] 23,500
June 30, 1981	[2] 23,800
Sept. 30, 1981	[2] 24,000

[1] Actual.
[2] Estimate.

Mr. BOLAND. Your response concerning the use of leased space instead of constructing warehouse space at Hines gives some estimate concerning the leasing option. These estimates, however, are not clear and you have not specifically compared them to the cost of additional space. You have stated the following:

> Any storage space suitable for leasing is between three to five miles from the depot. The cost of leasing averages $2.80 per month per pallet, plus handling charges. Storing 10,000 pallets in leased space would cost the VA approximately $300,000 a year, excluding handling costs. Personnel and transportation costs would also be incurred because additional personnel would be needed to transport items back and forth between the depot and the leased storage area.

You seem to be implying that this is too much, compared to the $9 million you want to spend. Referring to your example, why do you use 10,000 pallets? Is that what you would need to store in leased space?

Mr. COOK. If we do not obtain any more space or any more docks where we are, yes, sir.

Mr. BOLAND. Do you have any concrete comparisons, year by year, for leasing versus construction?

Mr. COOK. No, sir.

DANVILLE PAD

Mr. BOLAND. On page 14-42, the Danville, Illinois project to expand and relocate processing and distribution of supplies is outlined. This project was denied by the Congress last year as being lower priority. You are back again this year with a new request, but your proposal seems to be somewhat different. This year's proposal does not seem to provide for patient rooms as last year's proposal did, and the provision for air conditioning is also not mentioned this year.

Could you explain these differences and tell us why it would cost $800,000 more for what appears to be less work?

Mr. SALMOND. I would have to furnish that for the record.

Mr. BOLAND. A good question though, is it not?

Mr. SALMOND. You bet.

[The information follows:]

DANVILLE—RELOCATE AND EXPAND PROCESSING AND DISTRIBUTION

This year's prospectus inadvertently omitted provisions for patient rooms as well as air conditioning. The project is the same as last year's. The $800,000 is solely attributed to the one year delay.

SEPULVEDA FIRE AND SAFETY

Mr. BOLAND. Turn to page 14-49, to the Sepulveda project for correcting fire and safety hazards by providing sprinklers to various buildings, and by other means. Last year you requested an additional $3.7 million to complete this project, but it was denied as a lower priority. You are now requesting $6.4 million in addition to the $1.6 million previously approved to meet fire and safety deficiencies. Your estimate of total costs increased from $5.3 million last year to $8 million this year—while your cost summary shows projected inflation of about $800,000.

What is the problem here?

Mr. SALMOND. The projected escalation is actually going to be $911,000 and as we got more into the project we found that there was additional work that needed to be accomplished, such as closing holes in partitions that were above ceilings, providing correct smoke barriers and also a requirement for having positive latching devices on all doors to corridors in all 13 buildings.

Mr. BOLAND. So this is still another example of another change from last year's request?

Mr. SALMOND. Yes.

FIRE AND SAFETY IN VA FACILITIES

Mr. GREEN. Mr. Chairman, I asked this previously in the hearings with regard to the hospital facilities. But I did want to ask it as to other facilities. That is, in view of the painful lessons we have learned as to fire safety from a number of incidents this past year, has there been a review of the other VA facilities and are we giving sufficient priority to upgrading fire safety standards in view of what we have learned from the fires around the Country?

Mr. WILSON. The answer is yes we have. There is a continuing review that goes on with respect to fire and safety to come into compliance with local codes, state codes and also the Federal codes. We spent a lot of money over the years in improving our facilities for safety and fire protection.

Mr. GREEN. That is not limited to hospital facilities.

Mr. WILSON. In terms of Federal buildings it is a GSA problem and GSA has been doing that too.

Mr. GREEN. So as to these facilities, the depots, and things of that sort, it would basically be a GSA responsibility.

Mr. WILSON. These depots are VA depots and they are owned by the Veterans Administration and it is the responsibility of the Veterans Administration.

Mrs. BOGGS. Will the gentleman yield. May I ask you about the Federal codes versus the local codes. If it is a VA facility I would assume you would have to comply with Federal codes.

Mr. SALMOND. We always comply with Federal codes. Where the local codes are more stringent we would follow them.

Mrs. BOGGS. So if the local codes are more stringent they would take priority over the Federal codes?

Mr. SALMOND. Yes.

Mrs. BOGGS. But if it were the other way around the Federal codes would prevail?

Mr. SALMOND. Yes. Our policy now is to provide full sprinkling in all new patient buildings.

PROJECT CHANGES

Mr. BOLAND. We have pointed out a number of instances where the changes have been made this year, to last year's request. Why weren't these concerns addressed a year ago? What is wrong with the Office of Construction that it cannot catch these problems in the initial stage?

Mr. SALMOND. On this particular project I believe it was not part of an APF process. We were going through the preliminary planning last year at this time and therefore we did not know these things. The preliminary plans were completed in the spring of last year and we started working drawings in June and as you get further into a project so many times you discover these things that have been overlooked or whatever.

Mr. WILSON. Mr. Hoffman reminded me. In 1983 all of our new-start projects will have gone through the advance planning program and I think that is good.

FRESNO SEISMIC COST INCREASES

Mr. BOLAND. On page 14-50, the Fresno, California correction of seismic deficiencies project is shown. In fiscal year 1979 we provided $1.8 million for this project. In fiscal year 1981 you were back for another $1.1 million—and that was provided—now you are back for another $1.6 million to complete the project. What is wrong here and again, what went wrong with planning?

Mr. SALMOND. We went through, as you may recall, phase I and phase II at a lot of the hospitals in seismic studies. At this particular hospital during the phase II study the engineer decided to use the floor slabs as a diaphragm to assist in the bracing. We did not use that firm to do the design of the actual project. We now have a designer and he has found that the slabs are overstressed and they cannot be used as a diaphragm and this has created a need for additional interior sheer walls on this project.

REGION V CEMETERY

Mr. BOLAND. On page 14-55, you are in for an additional $2 million for the Region V National Cemetery. Where is that?

Mr. WILSON. Fort Custer, Michigan.

Mr. BOLAND. What happened here? We provided $300,000 in 1978, 350 in 1979, $3,350,000 in 1980 for a total of $4 million. Now you are in for an additional $2 million. What is the problem here?

Mr. CORRADO. What happened there was the fact that we received the working drawings; a reevaluation was made and it was discovered that additional work had to be done, work that had not originally been planned for and that required an additional $2 million.

Mr. WILSON. I think it is fair to say we have not had much experience in building cemeteries and I think we just did not do as well as we could have on the estimate.

Mr. SALMOND. When the money was requested we really did not have a master plan completed on the cemetery and there was no way that we could realize what our total costs were going to be. The $4 million number in the budget was a shot in the dark. It never should have gone that way. On future cemetery projects I hope we can get complete preliminaries before we start asking for money in the budget.

Mr. WILSON. That is what I meant to say, Mr. Chairman.

ROLE OF OMB

Mr. BOLAND. Now that is fine. We know, of course, that OMB directed which projects should be rescinded and deferred. These were OMB's decisions, were they not?

Mr. WILSON. Yes, sir.

Mr. BOLAND. Did either the OMB or the White House have any input in the proposed projects for fiscal year 1982?

Mr. WILSON. Yes, sir, they had input in the budget prior to the time it was transmitted to Congress. It was given to OMB and became part of the President's budget. Yes, sir, they did have input.

Mr. GREEN. Did that include the addition of projects that you would not have recommended?

Mr. WILSON. I do not think there are any projects in here that we would not recommend. I hope there are not.

REDUCING OUTLAYS IN FISCAL YEAR 1981

Mr. BOLAND. In the Committee Report which accompanied H.R. 7631, appears the following direction:

> There are two other issues regarding construction costs that need to be addressed. First, the Administration has proposed slowing the construction program to temporarily reduce outlays. The plan is to reduce 1981 outlays by $26,900,000—$12,600,000 in this account and $14,300,000 in minor construction. The Committee cannot approve this proposal and directs that VA not take any action to reduce construction outlays.

Did the VA adhere to the Committee's direction that the construction program not be slowed down?

Mr. WILSON. I think we adhered to the Committee's direction.

Mr. BOLAND. Has OMB told you to slow down construction projects outlays in 1982 other than the rescission and deferral projects?

Mr. WILSON. Not other than those projects, no, sir.

PHASED CONSTRUCTION

Mr. BOLAND. What about the phased construction program? Did the VA reevaluate the phased construction program?

Mr. SALMOND. Yes, sir, we have and we find generally speaking there is a six-month savings on projects when you do phase construction but that is only on certain projects and they would have to be the major ones. We recognize the fact that when you do that you do not know the total cost of the project until you make the award on the major portion of the project.

Mr. BOLAND. I will read what the Committee had to say last year in this report with reference to the phased construction program:

> Second, the Committee is not convinced that the phased construction program is the most cost effective or efficient method of operation. While it may allow a project to begin sooner, the opportunity for bidding on a second or third phase often results in increased costs. The VA should reevaluate this proposal and be prepared to discuss it during the 1982 hearings.

You did reevaluate the phased construction program and you may detail for the record what the results of that evaluation were. Are you still convinced that phased construction is the most cost-effective method of operation?

Mr. SALMOND. We believe each project has to be looked at one by one.

[The information follows:]

VA PHASED CONSTRUCTION

The traditional method of designing and constructing a VA Medical Facility project is to accomplish the major activities in a sequential manner. The medical program and master plan is completed before the preliminary development is started. The working drawings and specifications, the bidding documents, are started after the preliminary development is completed. Upon completion of the bidding documents, the construction work is advertised and awarded as a single construction contract to a prime contractor. The traditional method bar chart on Attachments No. 1 and 2 for non-APF and APF processed projects indicate time frames for a typical 500-bed hospital project of 77 months and 92 months respectively.

With phased construction, the basic methodology is to overlap the design and construction activities which are performed sequentially under the traditional method. Although the total construction duration may be longer in phased construction, the total project duration is 6 months shorter for both non-APF and APF processed projects. For a non-APF phased project as indicated on Attachment 1, the Phase I working drawings start 6 months before completion of the preliminary development. Phase I normally includes site preparation, excavation, foundation and superstructure of the building. Upon completion of the Phase I working drawings, the construction work is advertised and awarded. Phase II working drawings start upon completion of the preliminary development. Upon their completion, construction work, the remainder of the hospital building, is advertised and awarded. The total project duration is 71 months vs. 77 months by the traditional method.

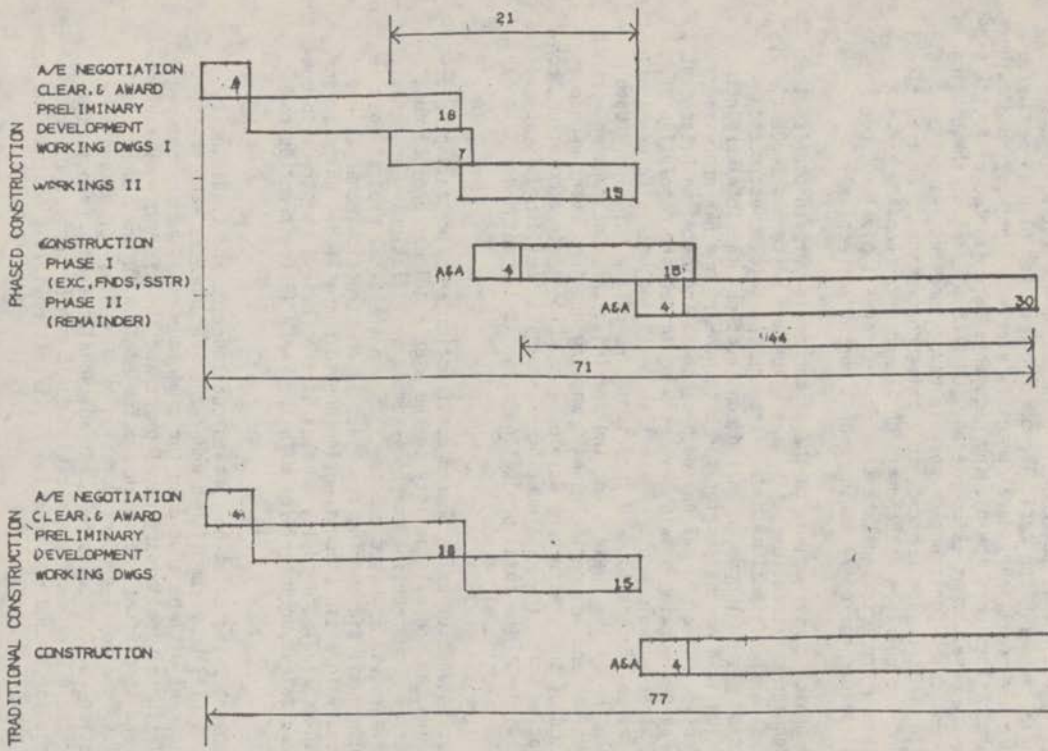
The advantages of using phased construction are time saving in delivering the medical facility to the user and lower project cost due to earlier construction awards assuming an inflationary economy. The disadvantages of phased construction are the total project cost is unknown until bid opening for Phase II construction, changes are necessary in Phase I construction due to Phase II design decisions, and VA is liable for delay damages if the Phase I construction contractor delays or interferes with the Phase II construction contractor.

Attachment 2 indicates how phased construction and traditional methods will be accomplished under the APF process. The project development will be shut down for a minimum of 15 months between completion of preliminary development and the start of working drawings and specifications which are funded in a future budget. This results in a total project duration of 80 months for phased construction vs. 92 months by the traditional method. Even though under the APF process the duration is 15 months longer, the time savings for phased construction vs. traditional is 6 months, the same as a non-APF project.

The durations indicated on the charts are averages based on experience. The actual durations and amount of overlap of activities may vary substantially from the averages for any particular project.

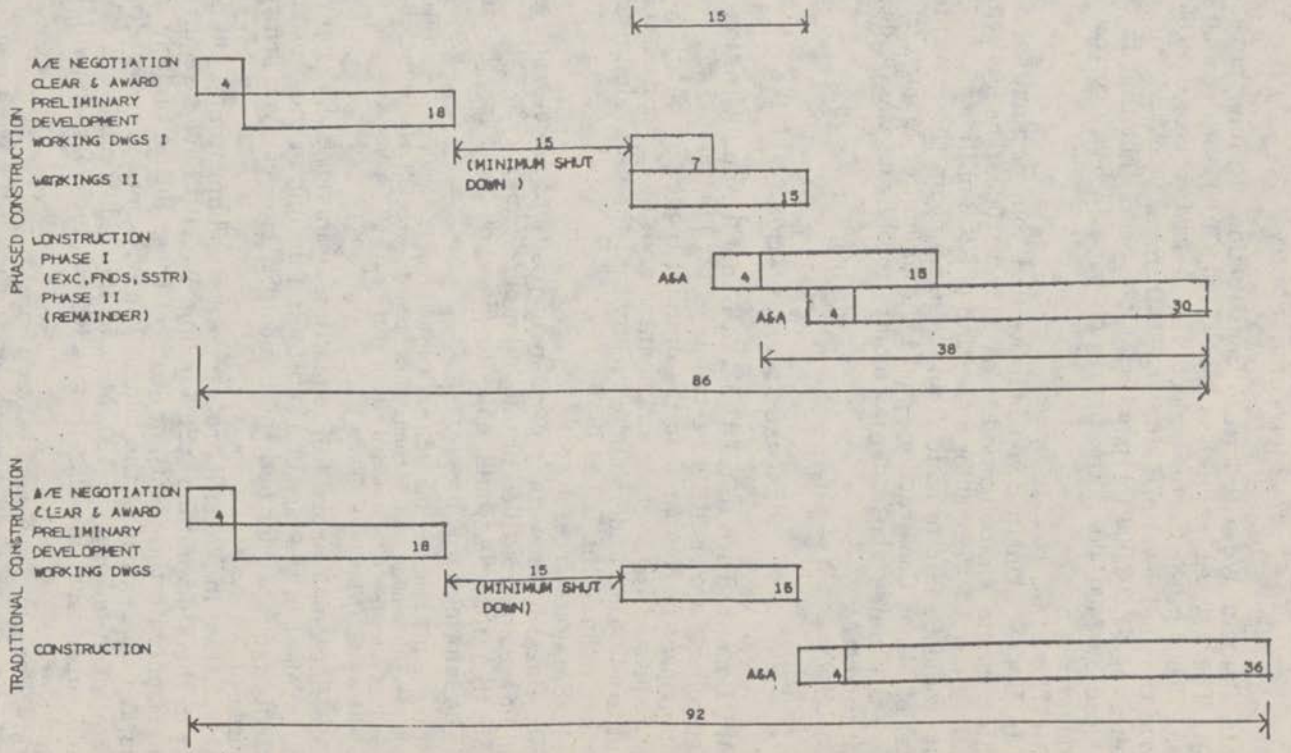
It is our position that the use of phased construction should be optional. Each project should be evaluated on its particular set of circumstances and a decision reached. It is possible that phased construction is not in our best interests for certain projects and we would use the traditional method.

TYPICAL NEW HOSPITAL (500 BEDS) NON APF



Attachment 1

TYPICAL NEW HOSPITAL (500 BEDS) APF



Attachment 2

MINOR CONSTRUCTION

Mr. BOLAND. We will turn to Construction of Minor projects on 15–1. The revised request is now $116,979,000, as compared to $148,979,000 in the Carter budget. The revised request is $6,609,000 above the 1981 level of $110,370,000. In fiscal year 1981 you were requesting $1,303,000 for pay costs. It appears that that has been reduced by $400,000, if the figures on page 15–3 are correct. How about that?

Mr. HOFFMAN. That is correct.

Mr. BOLAND. On 15–3 you indicate that your original fiscal year 1981 estimate for obligations was $122,320,000. The revised estimate is now $98,072,000 for a shortfall of $24.2 million.

It would be fair to state from those numbers that the funding level of Minor Construction—and for that matter Major Construction—is running ahead of your ability to obligate the funds. Isn't that correct?

Mr. SALMOND. Yes, sir.

GENERAL ADMINISTRATION

Mr. BOLAND. Turn to page 15–117, General Administration. That page reflects a revised 1982 estimate of $31,179,000 and 790 average employment as compared to the original request of 851. Last year you requested 799 average employment and the Committee reduced that to 749. Do I understand correctly that the new Administration further reduced the 749 to 735?

Mr. SALMOND. Yes, sir.

Mr. BOLAND. How many permanent positions are currently filled and how many are filled in the "all others" category?

Mr. SALMOND. I would have to give you that for the record.

[The information follows:]

At the end of February the Office of Construction has 680 Full Time Permanent employees, 19 others, and 16 non-ceiling (Stay-in-school Students) employees on duty. This compares to a projected end of year figure of 775 on-duty ceiling employees with a total O/C FTE of 735.

Mr. BOLAND. You are still requesting an increase of 55 in average employment in the face of a substantial decline in the construction activity requested for both 1981 and 1982. How can you justify that increase?

Mr. SALMOND. We still are requesting and apparently did not get cut in the $16.5 million APF funding. We still have a requirement to get on with the front end work of these future projects. In the marked up sections of the budget you will notice most of the cuts were taken on page 15–120. Most of the reductions were taken in field supervision because that is where the deferrals will hit us immediately.

Mr. BOLAND. They were taken where?

Mr. SALMOND. Field supervision. But we still have a requirement to beef up our planning area, and some modest increases in engineering and in the project directors' offices.

Mr. BOLAND. I notice that actual "travel and transportation of persons" in fiscal year 1980 was $672,000. That is correct, is it not?

Mr. SALMOND. Yes, sir.

Mr. BOLAND. How can you justify almost a 100 percent increase from 1980 to 1982 in travel. The 1982 request is $1,206,000.

Mr. SALMOND. Our request in 1980 was $868,000 and we had a savings—we had to take a cut in travel. In 1981 our estimate is $945,000.

Mr. BOLAND. There is a travel cut in effect right now, is there not?

Mr. SALMOND. Yes.

Mr. BOLAND. Why do you need the $1,206,000?

Mr. SALMOND. We have a great deal of traveling to do. We have a number of projects that are not real large projects because they are in the three, four, five million dollar class that we have to have resident engineers on and we have to have projects supervisors travel out and check on those projects on a quarterly basis. We have to continue our planning operation which means travel to hospitals to do the preliminary planning.

Mr. WILSON. I believe a substantial part of that includes transfer of resident engineers from one project to another as projects get completed.

Mr. BOLAND. I notice the 1981 estimate is $945,000. That was a reduction from $1,050,000 is that correct?

Mr. SALMOND. Yes, sir.

Mr. BOLAND. When you come up next year I bet the obligation will be less than $945,000, unless you make an effort to travel even more the next several months.

How about "other services"? You are jumping by 100 percent from 1980 to 1982, from $1,055,000 to $2,275,000. What is included in other services? Do you want to supply that for the record?

Mr. SALMOND. Yes, sir.

[The information follows:]

The FY 1982 Office of Construction (O/C) request of $2,275,000 for Other Services is actually only $400,000 more than the original FY 1980 estimate of $1,876,000. The increases are mainly in the following items:

*ADP - (+ $150,000) - This reflects the growing ADP applications within the Office of Construction. The total request of $750,000 is for timesharing and development and enhancement of in-house O/C capabilities.

*Surveys - (+ $75,000) - This is due mainly to the projected increase in archeological survey activity.

*Miscellaneous - (+ $117,000) - This reflects higher maintenance costs and the work done on preparing nominations of VA facilities for inclusion on the National Register.

The actual FY 1980 figures were lower than originally planned for the following reasons:

*Consultants (Planned - $200,000; Actual - $84,000) - This item was tightly controlled during the first part of the year when it appeared that money would have to be reserved to fund additional FTE and a large part of the pay raise supplemental. When these requirements were no longer present, it was too late to undertake the procurement of some consultant services. In addition, certain activity in the area of Health Care Facilities did not materialize.

*Training - (Planned - $130,000; Actual - $63,000) - This was due to the same reason as consultants - the need to reserve money. By the time money became available, it was too late to schedule much of the training. The reduction of O/C's travel limitation also affected the ability to obligate training funds.

*ADP - (Planned - $600,000; Actual - $318,000) - A large (almost $200,000) contract for the Medical Facilities Planning system was scheduled for award in the 4th quarter. It was not awarded, however, until the 1st quarter of FY 1981.

*R&D - (Planned - $700,000; Actual - $402,000) - Certain R&D contracts experienced difficulties and delays in being awarded and were not finalized by the end of FY 1980. Much of this activity carried over into 1st quarter of FY 1981.

*Surveys - (Planned - $100,000; Actual - ($8,000)) - Part of this was due to an accounting adjustment. In addition, archeological survey activity did not begin as originally planned. Other project surveys were funded out of the Advance Planning Fund rather than General Administration. When the survey precedes a project we sometimes must use General Administration funds.

Mr. BOLAND. Were any SES bonuses awarded to employees at the Office of Construction?

Mr. SALMOND. Yes, sir.

Mr. BOLAND. How many?

Mr. SALMOND. Three.

Mr. BOLAND. Who received them?

Mr. SALMOND. I did and two of our project directors, Mr. Fote and Mr. Pappamihiel.

Mr. BOLAND. How much?

Mr. SALMOND. I received one and Mr. Fote, one of our project directors——

Mr. BOLAND. How much were they?

Mr. SALMOND. Mine was $9,500. I do not recall what Mr. Fote's was.

[CLERK'S NOTE.—the VA provided the following information subsequent to the hearing—Mr. Fote, $5,500; Mr. Pappamihiel, $4,500.]

Mr. WILSON. Some statements were made yesterday about senior executive money that was in the budget. As we start to look at the record remember we will be making sure our figures are correct.

Mr. GREEN. I notice on page 15-5 that the research and education item, Minor Construction, has been totally eliminated.

Mr. SALMOND. That is correct.

Dr. CUSTIS. That is correct.

Mr. GREEN. Why is that one section being totally wiped out?

Dr. CUSTIS. We do not have any explanation.

Mr. GREEN. That came from OMB?

Mr. SALMOND. No.

Mr. PABST. The cut that we got in Minor Construction from the Office of Management and Budget was a lump sum dollar. We are now surfacing within the Department of Medicine and Surgery on possible cuts. We are looking at the cuts and they are quite devastating in the Minor program. We are surfacing these projects for the Department's consideration and it so happens research and education projects drop out. There were certain categories that were left sacred, if you will. Those are life safety categories. The Office of Management and Budget told us to not touch the life safety categories. So when you eliminated that and still apply a $30 million cut across the minor construction category you have a devastating hole in your minor program.

Mr. GREEN. For example a judgment was made that additional money for the Region V cemetery was more important than this.

Mr. PABST. It had no bearing. One did not relate to the other.

Mr. GREEN. What account would this have been competing with for example?

Mr. WILSON. Medical construction accounts. It would not be competing with cemetery accounts.

Mr. SALMOND. If you turn to page 15-2, you can see the other accounts that they would be competing with.

Mr. GREEN. You did not have freedom to go throughout the whole Minor Construction and evaluate it across that whole broad spectrum. You had to cut each segment a certain amount.

Mr. WILSON. That is right.

Mrs. BOGGS. Mr. Chairman, apparently there has been re-evaluation and rethinking of various programming priorities as

they are reflected in building and construction decisions. Last year we were told that a continued emphasis on outpatient medical care during fiscal year 1981 would provide veterans with even more efficient and effective treatment than in the past. Is that still the programmatic feeling of the Administration?

Dr. CUSTIS. Yes, it is. However, we will be testifying tomorrow that it will be necessary for us to cut down on the volume of outpatient visits next year because of resource cuts.

Mrs. BOGGS. Thank you very much.

Mr. BOLAND. Well, that completes our review of the Office of Contruction this afternoon. Thank you very much. We will stand adjourned until 9 o'clock tomorrow morning.

THURSDAY, MARCH 12, 1981.

DEPARTMENT OF MEDICINE AND SURGERY

CHIEF MEDICAL DIRECTOR'S STATEMENT

Mr. SABO. The Subcommittee will come to order.

This morning we will hear from the Department of Medicine and Surgery. The budget justifications are in Volume II.

I understand Dr. Custis has a statement. We will insert it in the record.

[The statement follows:]

Mr. Chairman, and Members of the Committee: I appreciate this opportunity to discuss with you the fiscal year 1982 Budget covering Department of Medicine and Surgery activities. In fiscal year 1982 DM&S will continue its efforts to provide quality health care through the program most suited to the veteran's medical need.

The VA operates the largest medical care delivery system in the United States. By the end of fiscal year 1981 the VA will have 172 hospitals, 16 domiciliaries, 96 nursing homes and 228 outpatient clinics. In addition to these facilities, VA will financially support eligible beneficiaries in approximately 33 Federal contract and numerous community contract hospitals located throughout the world and 2,900 community nursing homes. VA will partially support veterans cared for in 42 State-run domiciliaries, 37 nursing homes and 7 hospitals.

The Veterans Administration will treat over 1,348,000 inpatients with approximately 1,267,000 of these treatments in VA facilities. We will provide over 14.4 million medical and dental staff visits in our facilities and will administer a fee program providing payment for approximately 2.3 million medical visits and over 46,000 fee dental cases.

Included in the 1982 request are resources for workload related increases in new and replacement facilities, including 4 new VA Nursing Units; expansion and improvement of existing clinical facilities; and annualization requirements PL 96-330. The 1982 request also recognizes program changes from the 1980 and 1981 levels. This request reflects changes in demand, mode of treatment, and the impacts on existing facilities of accreditation, patient privacy and fire and safety standards.

A total of 181,729 FTEE is requested in fiscal year 1982 to accomplish the VA Medical Care mission. This is a net decrease of 3,483 FTEE from the 1981 level of 185,212 FTEE. While net employment decreases 3,483, a reallocation of existing employment will provide additional personnel for VA Nursing Homes, expanded Outpatient Clinics; new facility activations and additional specialized programs.

One of the Department's greatest strengths is its education and training programs. Through affiliations with medical and other health professions schools, our health care facilities are an indispensible part of the nation's health manpower production capability. Within our system and for our own employees, continuing education and staff development are critical to the success of every major Department initiative. For 1982, in the budget request:

. Specialized physician fellowship programs in geriatrics, spinal cord injury and substance abuse will maintain a level of 74 positions in 1982.

. The Postgraduate and Inservice Training Program requires $10.7 million to support continuing education. This is an increase of $778,000 over 1981.

. The Assistance for Health Manpower program will be continued with funds previously appropriated which remain available for obligation.

The Veterans Administration's research programs are dedicated toward the solution of medical problems of great importance to veterans, and to the public as well. The VA's research programs continue to improve and contribute to the general public good. The existence side-by-side in the VA of a very large patient population with the disease and disabilities for the study of which resources are needed, and of skilled, research-minded clinicians to do the research is unique in this country and indeed in the world.

Recognition of the quality of research programs in the Department of Medicine and Surgery continues with national and international awards to our investigators. This recognition strengthens our belief that VA research should strive for quality as well as relevance to our mission. As a result all VA staff members have the opportunity to compete for research support in terms of relevance, quality and productivity.

The fiscal year 1982 requested funding level for Medical Research will permit continuation of approved programs. These resources which total $132.5 million will be concentrated in the high priority areas of schizophrenia, aging, alcoholism, regeneration and spinal cord injury and delayed stress. The Health Services Research and Development budget, although limited, will allow continuation of ongoing programs that investigate ways to improve effectiveness and efficiency of health care. The budget for Rehabilitative Engineering Research and Development will support research to improve the quality of life for the disabled, including aids to sight, hearing and motion.

In the Medical Administrative Program we are requesting an additional 27 FTEE and $5,588,000. 3 FTEE and $1,678,000 are to assist in the design and development of a Health Care Information System. The remaining increases are associated with staffing improvements in VA Central Office.

In the Grants for Construction of State Extended Care Facilities, we are requesting $18,000,000, which is $3,000,000 more than the amount appropriated in fiscal year 1981.

In summary, the Department of Medicine and Surgery Appropriation request totals $6,909,482,000, an increase of $368,767,000, and 190,252 average employment, a decrease of 3,712. In addition, DM&S will also benefit from increases in VA's Construction Program.

The FY 1982 Construction budget request includes funds to correct severe space and functional deficiencies in accordance with system-wide priorities. Funding is requested for outpatient improvements, nursing home care facilities, clinical improvements, elimination of safety hazards, patient privacy improvements, replacement/modernization of facilities, and other major and minor construction in various project categories. The request emphasizes the correction of priority deficiencies while maintaining a balanced categorical approach to the construction program.

This concludes my statement. We are now prepared to discuss the details of our request.

MEDICAL CARE REVISED BUDGET LEVELS

Mr. SABO. The 1982 Reagan request for the Medical Care appropriation is $6,674,891,000, an increase of $348,933,000 over 1981 when the 1981 supplemental request of $305,945,000 is taken into consideration. Average employment for 1982 is 181,106, a decrease of 3,483 below 1981. The Reagan budget amendments reduced the 1981 Carter estimate by $39,227,000 and 1,280 staff years. The 1982 Carter request has been reduced by $330,054,000 and 5,181 staff years. Additional legislative proposals would further reduce the 1982 budget by $60,000,000.

The revised 1982 budget, including new legislative proposals, reduces the Carter request by $390,054,000.

How will the proposed $390,054,000 reduction and restriction by the Office of Management and Budget, which proposes to close hospital wards, affect the ability of DM&S to provide high quality medical care to veterans?

Dr. CUSTIS. Mr. Chairman, we are adjusting to these reductions in resources in a manner hopefully calculated to maintain the quality of care. We are, of necessity, planning to cut back on workload. This will be especially concentrated in the area of outpatient care where there is an approximately ten percent reduction, or 1.6 million visits to VA ambulatory care facilities from 1981, and a reduction in community nursing home care.

In addition to that, we intend to consolidate 60 wards with low occupancy rates and concentrate these patients in other wards. No workload reductions are associated with these consolidations.

We have some vertical program cuts. We can supply for the record, if you would like, the full list of reductions.

STAFF REDUCTIONS, MEDICAL CARE

Mr. SABO. How would you characterize the type of personnel that is likely to be cut?

Dr. CUSTIS. I think I would answer that in two ways: It is clear that the intent of OMB, based on the guidance that they passed to us, was to maintain direct care personnel, that is, hands-on physician-nurse type personnel, and that they expected the cuts to be in indirect categories of personnel.

It is not going to be that easy, I submit, in that we have to be careful not to diminish the productivity and the effectiveness of the doctors and nurses by undue reduction in the essential support personnel who are necessary to assist the physician and the nurse.

I am talking specifically about the lab technicians, the dieticians, the ward clerks, those personnel without whom a physician could become quite inefficient.

MEDICAL WORKLOAD CHANGES IN 1982

Mr. SABO. I expect it is rather difficult to begin medical treatment if you can't get previous medical records quickly.

Is there any decrease in patient load?

Dr. CUSTIS. We are projecting a 1,277 reduction in total average daily census, but by the same token, we are also predicting an increase in total inpatients treated. This is a phenomena that has been going on for several years. We have been observing a progres-

sive decrease in length of stay, an increased turnover of patients and a fall in average daily census due to progressively increased productivity, better staffing and successful utilization of alternatives to hospital care.

These progressive improvements in efficiency and in productivity are going to bottom out. We have been saying for the past couple of years in testimony that we don't know when this bottoming out might occur. It may well be that we will see this happening this coming year. There is a saturation point, as far as productivity goes.

INPATIENTS TREATED

Mr. SABO. I think in your justifications, on page 6–39R, the estimated number of patients treated remains the same in 1981 and 1982. I take it that should be revised.

Dr. CUSTIS. Where are you, Mr. Chairman?

Mr. SABO. Page 6–39R.

Dr. CUSTIS. The patients treated are straight lined.

Mr. SABO. Is that just inpatients listed there?

Mr. HOFFMAN. The 1,238,070, sir, is just VA Hospital inpatients treated.

Dr. CUSTIS. My previous statement is in error. I said there would be an increase in patients treated. There is an increase in VA hospitals of 70, but a decrease of 4,942 in total.

1981 REVISIONS

Mr. SABO. What will be the effect of the 1981 revisions?

Dr. CUSTIS. The 1981 revisions will be more easily accommodated. The Medical Care personnel is reduced by 1,280 FTEE and funding by $39,227,000. The Readjustment Counseling program is a part of that.

Mr. WILSON. Dr. Custis, there are about 180 people in the Readjustment Counseling program that will probably not be hired in 1981. Congress provided an add-on of 176, but we only hired about 50 people. It wouldn't make sense to hire them for six months with the program being terminated in 1982.

Mr. SABO. Do you expect to meet the 1981 and 1982 reductions through attrition, or do you expect that you will have to dismiss people?

Dr. CUSTIS. In 1981, certainly it will be by attrition. In 1982, hopefully it can be by way of attrition. I am constrained to say that we will not be asking for RIF authority, based on Mr. Wilson's reluctance to use RIF authority.

The 1981 Medical Care reductions are specifically a capital equipment reduction of $8 million, a travel reduction of $1.8 million, a Readjustment Counseling cutback pertaining to the 176 FTEE that carries a $4 million price tag on it and other employment reductions that have personal services dollars of about $25.4 million attached to them.

These were all of the 1981 Medical Care reductions.

MEDICAID IMPACT ON VA

Mr. SABO. Restrictions have been proposed on Medicaid expenditures. Reportedly, a high percentage of the non-service-connected veterans are medically indigent.

What, in your views, Mr. Wilson and Dr. Custis, do these Medicaid reductions portend for the VA?

Dr. CUSTIS. We have already experienced some impact in different parts of the Country where the county charity hospitals are either closing or cutting back in capacity. This has had an impact on the VA system.

Also as Medicaid is reduced we will experience, we feel, an impact when patients, who otherwise might be cared for in the private sector, come to the VA. The great majority of our patients don't have the economic capability of handling the co-payment and the surcharge if Medicaid isn't there to provide it.

Mr. SABO. Wouldn't that indicate that rather than staying constant, the impact of restricting Medicaid might increase the number of patients in the VA system?

Dr. CUSTIS. Yes, that paraphrases what I was trying to say.

GERIATRIC RESEARCH, EDUCATION AND CLINICAL CENTERS

Mr. SABO. I hope you will monitor that as you proceed. You might want to give us a revision of the number of patients estimated to be treated.

Personnel reductions have a more severe impact. Title III, Geriatric Research and Care, of Public Law 96-330, the VA Health Care Personnel Act of 1980, empowered the Administrator, upon the recommendation of the Chief Medical Director, to increase the number of Geriatric Research, Education and Clinical Centers (GRECCS) located in VA hospitals from the current eight to fifteen.

What is or will be the VA recommendation?

Dr. CUSTIS. The VA recognizes the Administration's guidance that we defer any further expansion beyond fiscal year 1982.

Mr. SABO. So there will be no increase?

Dr. CUSTIS. There will be no increase. There is no request for resources to implement that portion of Public Law 96-330.

Mr. SABO. So this is a decision of OMB, not the VA.

How many are there currently?

Dr. CUSTIS. Currently there are eight.

Mr. SABO. What priority does this type of activity have?

Dr. CUSTIS. This has a very high priority, Mr. Chairman. It is a very important element of our effort to get ready for the impact of the aging veteran population and also to become involved in research on the problems peculiar to aging.

May I have Dr. Haber, the program Director, further address that?

Dr. HABER. The eight GRECCS are based on the thesis that when the clinical care goes hand-in-hand with research and education, we have a unique opportunity to learn from our experience and improve the care of the aging.

The success of this program has attracted a fair amount of attention outside the VA. We are working with other agencies to

assure that our efforts dovetail with the private and public communities.

MISSION CHANGES FOR VA HOSPITALS

Mr. SABO. For several years, there has been a discussion of converting some hospitals in isolated communities from their present mission—to phase out the hospital component and move gradually toward ambulatory care. The response has been that VA does not have a sufficient data base to begin making such decisions. Last year, Dr. Custis said the decisions could not be made for three or four years.

Is that still true?

Dr. CUSTIS. Were we to make those decisions now and were those decisions to be challenged, I think our data upon which such decisions were to be based would be tenuous.

What we would like very much to do is refocus our planning effort toward grass-roots initiatives to update the demographic data and better determine the veterans' needs in different areas so we can better identify possible changes of mission.

Mr. SABO. At this time, I will yield to Mr. Coughlin, who may have questions of his own.

STATE NURSING HOMES

Mr. COUGHLIN. Does the VA ever do any analyses of the need for State operated nursing homes?

Dr. CUSTIS. Yes, sir, in regard to national needs.

Mr. COUGHLIN. You do participate in State operated nursing homes?

Dr. CUSTIS. Yes, both in terms of our grant program which supports the construction of those facilities and also our operational grants related to utilization of the facilities.

Dr. HABER. VA has supported the construction, including renovation of State nursing homes, domiciliaries and some hospital beds. We have obligated through fiscal year 1980 about $96.8 million for some 6,135 beds in both domiciliary and nursing homes. We believe these are excellent examples of cooperation between the Federal and State governments. Our program has been to assist the States in improving and increasing their facilities. We are now in touch with the people of Pennsylvania, for example as to the construction of a home.

Mr. COUGHLIN. This is in line with President Reagan's approach to involve both State and local communities in these problems.

AGENT ORANGE STUDY

Mr. COUGHLIN. The second question I have, is not on this subject. The Controller General has issued a final decision in the Agent Orange study, have you developed a design for this study?

Dr. CUSTIS. Yes, sir. We were unable to move because of the legal challenge to the study.

Dr. Barclay Shepard is in the room. He is the project director for our involvement in the Agent Orange area.

Dr. SHEPARD. The status of the epidemiological study is as follows: it was the decision that the study be designed under contract. Proposals for that contract were issued and four proposals were

submitted. Those have been reviewed and a potential contractor has been selected by a panel of experts.

We were ready to move on this some time ago but were delayed for a number of reasons, including protests on the bid process. The whole matter has been reviewed by the GAO. They have recently rendered an opinion that the protests were without foundation, thereby allowing us to proceed.

At this time, we have gone back to the original proposers requesting an update of their proposals. These have been received and are being reviewed by the selection panel and we should have the results in the next few weeks.

Mr. COUGHLIN. You do have the funds for this project?

Dr. SHEPARD. Yes, sir, $300,000.

OUTPATIENT CLINIC USAGE

Mr. COUGHLIN. In terms of your outpatient clinics, it has been indicated, I think, that you have had a considerable upsurge in the use of those clinics by people coming from some distance to receive treatment at those clinics; is that true?

Dr. CUSTIS. Ever since we have had authorization for increasing ambulatory care, there has been a rapid growth in demand, so much so that the Congress in 1976 found it necessary to put some restraint on that growth.

We subsequently found it necessary to establish priorities related to access to ambulatory care. The demand is such in the ambulatory clinics that is, controlled.

Mr. COUGHLIN. Do you have any feeling as to how much treatment in the ambulatory clinics is for service-connected disabilities as compared to non-service-connected? Is this one place you get a number of non-service-connected cases?

Dr. CUSTIS. As a matter of fact, there is an inverse relative to our ambulatory clinics: 60 to 70 percent of the patients are service-connected, whereas for our inpatients, it is just the opposite, with the higher percentages being non-service-connected.

Mr. COUGHLIN. How do you monitor which are service-connected and which are not service-connected?

Dr. CUSTIS. The service-connected carry certification cards which identify their service-connection privilege.

As a matter of fact, this does become difficult at times. The entitlements under law can be rather vague and the decision regarding eligibility is, of necessity, made at the point of entry by those individuals who are clearing the patients.

BENEFICIARY TRAVEL PROPOSED REGULATION

Mr. COUGHLIN. In the ambulatory care program, is the patient reimbursed for his travel to and from the ambulatory care facility?

Dr. CUSTIS. That is correct.

Mr. COUGHLIN. Is that regardless of the distance he comes from?

Dr. CUSTIS. At the present time, it is a total entitlement. As you probably know, this has been a very rapidly growing program in terms of money spent. A request for legislation to modify the payment structure was presented to the Congress but the response

was that the Administrator already had the authority to bring this under tighter control.

We have experienced a great deal of difficulty in exercising administrative control, however.

At the present time, in the revised 1982 budget, there is a reduction of $35 million in the projected resource requirements. However this $35 million is to be saved by proposed modifying legislation.

We frankly, are having difficulty in the design of that proposed legislation. Ms. Quandt, who is with us this morning, is the individual who is in charge of accumulating the necessary data and working with the General Counsel on this proposed legislation.

Ms. QUANDT. Mr. Coughlin, we monitor the experience in our clinics based on our patient routing slips. The purpose of the visit is listed then, based on a 20 percent sample—that is an ongoing daily sample, it is put into a reporting system. We then have an idea which of the workloads are service-connected and which are not.

As Dr. Custis has said, there is some error rate because the clerk who sees the patient doesn't know at that point if the visit is service-connected or not.

Travel however, is paid to the service-connected patient as an eligibility right.

Mr. COUGHLIN. Despite the distance?

Ms. QUANDT. Despite the distance. The non-service-connected veteran may only receive travel if he signs an oath saying he can't afford to pay for travel.

Last year, after Public Law 96–151 was approved, we used as a guideline to determine inability to pay, certain pension levels based upon single or married veterans and numbers of dependents. Our ways to attempt to control travel are largely administrative as published through policy, but if a beneficiary truly tells us he does not have the money, we have to pay it.

Mr. COUGHLIN. I guess there are a lot of things difficult to control in that program. I suppose if three or four people got together and drove in, they could each claim travel.

Ms. QUANDT. We have had such instances of abuse. When they are found, they are corrected. Many facilities have an ombudsperson at the office, and as veterans claim their travel, they are questioned, as to whether they have given the right address, if it is the right mileage, and whether they came with others or alone.

Mr. COUGHLIN. Thank you.

HOSPITAL CLOSURES AND AND/OR MISSION CHANGES

Mrs. BOGGS [presiding]. Is OMB going to review the hospital closings or mission changes in the near future? What will VA use as a data base for these discussions and possible decisions?

Dr. CUSTIS. We have no official word from OMB as to such intent. We do know that last year in the spring review, there was consideration of changing hospital missions and informally, verbally, it has been suggested that such review could again occur in the coming spring review.

Mrs. BOGGS. If you decided to close hospitals, what categories would you close?

Dr. CUSTIS. I think one could break this down into three categories. There are those that are so situated that they could depend upon core hospitals in the area for backup and could be converted from medical and surgical accute care hospitals to nursing home facilities. That is one category.

Another category would be small hospitals which are located in areas where patients could be cared for in nearby hospitals. Then complete closure could be contemplated, since there would be a potential for the private sector to provide veterans' care on a fee-for-service basis.

Then in addition to that, if one were forced to look for sizable cutbacks in the system, one would look to urban areas where there are several VA hospitals so that the impact of the closure of one would be softened by the availability of care in other nearby VA hospitals.

The examples for that category would be in New York, Chicago, and Los Angeles.

GOVERNMENT-WIDE SAVINGS, FISCAL YEAR 1981

Mr. BOLAND. What about the hiring freeze that was imposed by the Administration and the reduction in outlays for consultants, equipment and travel? Can you indicate what the total savings in 1981 will be a result of those actions?

Dr. CUSTIS. Could we provide that for the record?

Mr. BOLAND. Yes. Provide for the record a table showing by appropriation account, what the savings will be for each of the aforementioned actions.

[The information follows:]

The 1981 savings related to the OMB bulletins are as follows for the Department of Medicine and Surgery:

OMB Bulletin No.	Items reduced	Departmental savings
81-7	Travel	$2,899,000
81-8	Consulting services	121,000
81-9	Equipment moratorium	4,402,000

It is too early to estimate the savings related to employment reductions realized under the freeze (OMB bulletin No. 81-6). We expect those employment areas subject to the freeze (the support categories of employment) to have declined. Our reporting system should provide us with a better indication of the freeze results by early April.

CONGRESSIONAL ADD-ON FRIGGS

Mr. BOLAND. Last year, Congress added $10,600,000 to restore 500,000 outpatient visits and $8,762,000 to treat 2,000 additional patients in community nursing homes.

Has the VA made those funds available for the purposes intended? If not, why not?

Dr. CUSTIS. The outpatient funds have been utilized, the funds for increasing the fee-basis nursing home care have not. The authority to do so, I think, became available around the middle of December,

at a time when we were already hearing about a cutback in resources and, quite frankly, Mr. Chairman, the anxiety was such that we held off putting that $8 million out in anticipation of being short of resources. We have not reprogrammed it yet, but have reached the point now where we feel we must reprogram it.

COMMUNITY NURSING HOMES

Mr. BOLAND. Is there any provision in the 1982 budget for this activity, for providing treatment for additional patients in community nursing homes?

Dr. CUSTIS. No, sir, there will be a cutback—according to our plan, there will be a cutback of 1,093 census in community nursing homes from the original 1982 budget plan involving a savings of $18.8 million which is part of our plan for saving the $330 million that has been identified.

NEW OUTPATIENT CLINICS

Mr. BOLAND. Last year, the Conference Report accompanying the 1981 Appropriation Bill stated that the Committee of Conference agreed that outpatient clinics be established in Bradford County, Pennsylvania, and in the State of Florida.

What is the status of those outpatient clinics?

Dr. CUSTIS. May I refer that question to Mr. Don Pabst, the Director of our Facilities Office.

Mr. PABST. For Bradford County, we have started the gathering of the data and we have been in communication with GSA, who would normally have the leasing authority for clinics. We have had a lot of difficulty, as you can appreciate, with GSA and leasing. They have granted VA the authority to direct lease space for the Bradford County clinic.

With reference to the northern Florida area, we have completed the demographic study and have made a determination, at least in the Department of Medicine and Surgery, and are making a recommendation to the Administrator, that the site selected should be in the Pensacola area.

We also were successful in getting GSA to permit the VA to use a direct lease for the Pensacola site.

Mr. WILSON. With respect to the Florida situation, with the budget cutbacks, we may have to take another look as to whether or not we can and should do that.

Mr. BOLAND. Does it appear to be an area where you can cut back and no one will get hurt very badly?

Mr. WILSON. At this time, the clinic in northwest Florida doesn't exist. The question is, should we start it.

Mr. BOLAND. What request would you carry in the 1982 budget, if you started an outpatient clinic in Florida?

Mr. WILSON. May we submit that for the record?

Mr. BOLAND. Yes.

[The information follows:]

If we were able to arrange for building lease space, equipment purchases, and all other start-up items in fiscal year 1982 the total resources needed would be:
(1) Recurring (salaries, supplies and lease) = $3,855,000 and 90 FTEE.
(2) Non-recurring (equipment, renovation and one-time costs) = $2,330,000.
(3) Total first year costs = $6,185,000 and 90 FTEE.

At present we are planning for the activation of Pensacola Outpatient Clinic, provided adequate budgeted resources are made available, in October 1983.

SPECIAL PAY, PHYSICIANS AND DENTISTS

Mr. BOLAND. Last year, the VA provided fiscal year 1979 cost data on contracts for scarce medical specialties. The total was $14,409,050. On page 21-9 of Volume III, under an explanation of Title I of Public Law 96-330, the legend indicates that the costs of the additional pay for physicians and dentists are expected to be offset by replacing a substantial number of contracts for medical service with in-house work and by other savings.

What is the annual cost of the additional pay authorized by Public Law 96-330?

We talked about this on our first day of hearings. Do you have the figure on that?

Dr. CUSTIS. The additional cost is $77 million.

Mr. BOLAND. What would be the savings in the medical service contracts if you implement in-house work?

Dr. CUSTIS. I may be confused, Mr. Chairman. Are we talking about the special pay for VA physicians?

Mr. BOLAND. Yes, special pay for VA physicians and dentists. Under the provided explanation of Public Law 96-330, there is an indication that the costs of the additional pay for physicians and dentists are expected to be offset by replacing a substantial number of contracts for medical services with in-house work. Dental work would be done in-house and there is also a suggestion there would be other savings.

Now, what I would like to know, is what savings will accrue on the medical service contracts? How much will you save as a result of doing in-house work?

Dr. CUSTIS. I am not sure there has ever been identified on the medical side, the savings from cancellation of fee-for-service and bringing in-house medical care. Mr. Nelson, is that right?

Mr. NELSON. I am sorry, I don't have that.

Mr. BOLAND. There is an indication that there would be savings by doing this. You may supply that for the record.

Dr. CUSTIS. My Deputy identifies that figure as about $9.9 million, which is associated with Public Law 96-330, section 401, the "looking behind the oath" provision.

May I double-check this and supply it for the record, Mr. Chairman?

Mr. BOLAND. Sure.

[The information follows:]

The sentence on page 21-9 of volume 3 is not correct. The VA has never projected that there would be an offset to the cost of physicians and dentists special pay resulting from a decrease in the cost of contracts for scarce medical specialties. The VA did present testimony to the House Veterans Affairs Committee during an oversight hearing on the problems of recruitment and retention of physicians and dentists held February 4, 1980, to the effect that our virtual inability to recruit certain specialists was in large part (not totally) due to noncompetitive salary levels. There are also other reasons for contracting for scarce medical specialists. After passage of P.L. 96-330 the VA did not estimate nor anticipate a reduction in contracts that are currently in force. We do not know the eventual future impact of the increased pay levels on the VA's recruitment of these scarce specialists. The salary levels provided under this new authority will not meet the salary/income levels in the private sector in most cases. We do anticipate that future increased

requirements for scarce specialty contracts will be diminished, however, we have not and do not project an actual reduction of current expenditures.

A reduction in these scarce medical specialty contracts was projected to accrue five to six years after implementation of the VA health professional scholarship program that was enacted under Title 2 of P.L. 96-330. In this circumstance the hypothesis was that a certain percentage of physicians trained under this program would become specialty trained in some of the specialties for which we currently contract. The VA would at that time assign these individuals to perform their period of obligated service in hospitals that have such contracts and thereby offset the cost of the contracts above salary rates for such physicians. Funding for this program is not included in the budget.

SPECIALIZED MEDICAL SERVICES UTILIZATION

Mr. BOLAND. Over the past few years there has been some concern over the utilization of some of the specialized medical programs in VA hospitals.

What is the status of the VA efforts to improve the utilization of specialized medical services?

I understand the concern here, is that the specialized medical services are expensive, as is the equipment, and they are perhaps not being used to the extent they might be used.

Dr. CUSTIS. That is relatively accurate. We have a close monitoring of all our special medical programs and can provide for the record the last analyis of the efficiency of those programs. Dr. Carl Hughes.

Dr. HUGHES. We have a utilization review program and our special medical programs are monitored on a six-month basis. Those below expectations are either contacted as to why they are running low or they may be closed and the funds transferred to another program that is more in need of support.

In our latest review, we were, I believe, 87 percent meeting expectations. That is as of September 30, last year.

Mr. BOLAND. Now, as I understand it, some of the specialized medical services don't meet VA standards; is that correct?

Dr. HUGHES. That is correct, sir.

Mr. BOLAND. Last year, you provided a list of those specialized medical services that do not meet VA medical standards. Will you update the list for this year, placing an asterisk by those which have not been up to standard for 1979 and 1980?

Dr. HUGHES. Yes.

[The information follows:]

The following is a list, by program and location, showing units not fully meeting published VA standards for the six month reporting period ending September 30, 1980. An asterisk indicates that the unit also did not meet the standard for the reporting period ending September 30, 1979:

Alcohol Dependence Treatment Programs

*Manchester
*Miami

Cardiac Catheterization Laboratories

*Allen Park
*Ann Arbor
*Baltimore
*Bronx
*Charleston
*Chicago (LS)
*Dayton
*Indaianpolis
*Iowa City
*Kansas City
*Louisville
*Madison
*New York
*Northport
*Pittsburgh (UD)
*West Haven

Cardiopulmonary By-Pass Surgery

Brooklyn
Columbia, MO
Indianapolis
*San Juan
*Washington, DC
*West Haven

Computed Tomography

Denver
Portland

Day Hospital

Loma Linda
Omaha
*Phoenix
Pittsburgh (HD)
*West Haven

Day Treatment Center

Newington
*Salem

Dietetic Service-Measured Nonprofessionals
(New Monitored Program)

Shreveport
Indianapolis
Huntington
Chillicothe
Knoxville
Marion, IN

Drug Dependence Treatment Programs

*Albany
*Indianapolis

Electron Microscopy

Birmingham
Loma Linda
Los Angeles

Epilepsy Treatment Centers
(New Monitored Program)

Madison

Dialysis Centers and Home Dialysis

*Cleveland
*Lexington
*Loma Linda
*Philadelphia
*Providence

Hospital Based Home Care

*Seattle
St. Louis
*San Francisco

Hypertension Screening and Treatment Program
(New Monitored Program)

Indianapolis
Iowa City
Minneapolis
Memphis
Richmond
Sepulveda
Topeka

Mental Hygiene Clinics

*Albuquerque
*Beaumont
*Bedford
*Fort Meade
Grand Junction
Jackson
*Los Angeles (OC)
Lowell (OCS)
*Mayaguez
*Murfreesboro
North Chicago
Peoria
Philadelphia (OCS)
Providence
Seattle

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Nuclear Medicine Service
(New Monitored Program)

Beckley
Coatesville
Fort Howard
Grand Island
Murfreesboro
Wichita

Renal Transplant

Kansas City
Little Rock
Minneapolis

Satellite (Self) Dialysis

*Cheyenne
*Iron Mountain
Newington

Sickle Cell Screening and Education Program
(New Monitored Program)

Ann Arbor
Brooklyn
Charleston, SC
New York
Tuskegee

Speech Pathology

Augusta
Iowa City
Iron Mountain

Supervoltage Therapy

Atlanta
*Brooklyn
*Cleveland
St. Louis
*Washington

Dr. CUSTIS. There are some special medical programs in isolated areas where there is no alternative for obtaining such treatment. These may not be up to standard, but it is critical to maintain them.

Mr. BOLAND. Can you think of one off the top of your head?

Dr. CUSTIS. An intensive care unit in an isolated area, a laboratory providing more sophisticated service.

Mr. BOLAND. How many specialized medical services does VA have?

Dr. CUSTIS. Too many.

Mr. BOLAND. That is good. Too many.

Dr. CUSTIS. Many of the special medical programs are an integral part of today's standard practice in medicine. The concept of the special medical program was used to obtain the resources to upgrade our hospitals. We have been keeping those on a list of special programs, monitoring them, when actually they should revert to an integral part of the hospital. Having proven themselves, they should not remain under that category.

I should be more responsive in giving examples to the Chairman, Dr. Hughes.

Mr. BOLAND. Can you give me the number of specialized medical services that the VA is involved in?

Dr. HUGHES. Twenty-five.

Mr. BOLAND. Would you list them for the record?

[The information follows:]

The following is a listing of Monitored Professional Services Programs:
Alcohol Dependence Treatment Programs
Blind Rehabilitation Centers
Blind Clinics
Cardiac Catheterization Laboratories
Cardiopulmonary By-Pass Surgery
Cardiopulmonary Rehabilitation Centers
Computerized Tomography
Day Hospitals
Day Treatment Centers
Dietetic Service—Measured Nonprofessionals
Drug Dependence Treatment Programs
Electron Microscopy
Epilepsy Centers
Hemodialysis Centers and Home Dialysis
Hospital Based Home Care
Hypertension Screening and Treatment Program
Mental Hygiene Clinics
Nuclear Medicine
Renal Transplant
Satellite (Self) Dialysis
Sickle Cell Program
Speech Pathology
Spinal Cord Injury Centers
SCI Home Care Units
Supervoltage Therapy

CAT SCANNERS

Mr. BOLAND. Do you have CAT scanners?

Dr. CUSTIS. We have 24.

Mr. BOLAND. Would you consider that a specialized area?

Dr. CUSTIS. Yes, sir.

Mr. BOLAND. Do you communicate with private and other public hospitals which have that equipment, to be sure the equipment is fully utilized?

Dr. CUSTIS. Yes we do. We also have a list of 42 hospitals which need these. On the basis of such study and communication there is full justification for installation of a CAT scanner in 42 more VA hospitals.

EMPLOYMENT BY MEDICAL FACILITY

Mr. BOLAND. Last year, you provided a listing by facility of the average employment for 1979 and the estimate for 1980 and 1981. Provide for the record a similar table updated for 1980, 1981 and 1982.

[The information follows:]

Since the employment available to the Department and Medicine and Surgery changed significantly with the President's Budget Amendments of March 10, 1981, the Department at this point has not finished the analysis necessary to determine individual facility needs within the reduced available employment. We hope to have the facility by facility listings available by May of 1981.

VISUAL IMPAIRMENT SERVICE

Mr. BOLAND. Last year, in my floor remarks, I said that it was the Committee's intention that, within available resources, the number of centrally funded Visual Impairment Services [VIS] team coordinator positions be increased by at least 12.

Has the VA increased the number of centrally funded VIS team coordinator positions by 12?

Dr. CUSTIS. That was increased by 12, Mr. Chairman.

Mr. BOLAND. Well, that is nice. You make me look good, don't you?

Dr. CUSTIS. Not 11, not 13 but 12.

Mr. BOLAND. Last year, there was a discussion about optometrists and podiatrists. How many optometrists and how many podiatrists are currently on board?

OPTOMETRISTS AND PODIATRISTS

Dr. CUSTIS. Before I refer that question to the ACMD for Professional Services, let me say we have in the recent past added to our optometrist staffing. The total FTEE is 46.

Mr. BOLAND. How many podiatrists?

Dr. CUSTIS. We didn't employ any additional in podiatry. We hope to do so.

Mr. BOLAND. Also provide for the record the number presently on board.

[The information follows:]

At the present time, the VA employs approximately 58 FTE podiatrists.

Mr. BOLAND. What are your plans for 1982 regarding hiring additional podiatrists and optometrists? Does this budget include funds for them?

Dr. CUSTIS. As a matter of fact, we have not yet had the time to complete our planning for the 5,181 FTEE reduction and its impact on such programs.

READJUSTMENT COUNSELING

Mr. BOLAND. Public Law 96-22 authorized a new psychological readjustment counseling program. The VA calls the program Operation Outreach. Page 6-16 indicates the program will be eliminated in 1982. You have only had the program for a year, haven't you? Or have you started it yet?

Dr. CUSTIS. Oh, yes, it has been in full operation for the past six months. The first year of operation was spent in recruiting, training the staff and obtaining leases, and so forth, so this really is the second year of operation. It is a two-year program due to terminate in September of 1981. Actually, the first year was spent in getting started.

There are 91 centers. The Congress just last fall authorized 176 additional FTEE to build up the staffs of those centers and open additional centers.

The 1981 resource base was approximately $29 million. That also included funding for the fee basis contracts. This was an additional program which, because of difficulty in identifying authorities who were able to handle such contracts, was never implemented.

Mr. BOLAND. But in any event, this budget eliminates the Readjustment Counseling program, and you have indicated that would produce a savings of some $29 million.

Dr. CUSTIS. I think the dollar savings in 1982 comes to approximately $32 million.

Mr. BOLAND. Your justification states $29 million. Of course, you are not proposing to eliminate it, OMB is.

Dr. CUSTIS. That is correct.

Mr. BOLAND. Up to this point, what have been the results from this program, or is it too early to tell?

Mr. WILSON. There has been a recent evaluation by the Office of Planning and Program Evaluation of the VA which we will be pleased to supply you with when it is finalized.

There have been 91,000 visits encompassing some 43,000 veterans and something in excess of 100,000 telephone calls.

Mr. BOLAND. Are they mostly Vietnam veterans?

Mr. WILSON. Almost exclusively.

Mrs. BOGGS. Yesterday we mentioned the legislation expires in 1981, but at that time we didn't mention that the legislation grandfathered in former Vietnam veterans. Those who would come on line after that time would have their eligibility continued.

Mr. WILSON. Mrs. Boggs, that is quite true. We did neglect to say that the other day. Those grandfathered in would still be counseled even though the veteran centers are closed. As I recall, they would have two years from discharge or two years from the passage of the law, to take advantage of this program.

Mr. COY. That is correct. So the program per se, won't terminate, although many of the store front centers would be closed down.

Mrs. BOGGS. That is what I understood, the ones already in were grandfathered into the program. But those coming on line after that——

Mr. WILSON. Those would be veterans who served in the Vietnam era war and are just being discharged.

Mrs. BOGGS. If we close the centers, where would they be taken care of?

Mr. WILSON. At our various hospitals around the Country. We expect only a limited number.

COMMUNITY NURSING HOMES

Mr. BOLAND. When we asked you about the additional 2,000 patients in community nursing homes that the Congress added, your response was that you hadn't released the money for that purpose.

If that is true, why do the justifications on page 6-40R, under Community Nursing Homes, show 30,803 patients treated in the 1981 column, which is an increase of about 2,000 above the 28,900 you projected in the original 1981 justifications?

Now are these revised justifications correct or not?

Dr. CUSTIS. Yes, sir, these figures are correct figures.

Mr. NELSON. Actually we are getting more mileage from the program.

Dr. HABER. We are getting more mileage from the program; more patients treated.

Mr. BOLAND. Will you say that again?

Dr. HABER. The length of stay is short. There are more patients treated than initially estimated. The figures are right.

Mr. BOLAND. Okay.

Dr. CUSTIS. That is a judgment call, Mr. Chairman.

READJUSTMENT COUNSELING

Mr. BOLAND. Do I understand correctly, that there are 91 centers in operation currently?

Mr. WILSON. Yes. It had been planned to add about 40 more with the 176 people the Congress added for the program in 1981.

Mr. BOLAND. Those centers serviced 143,000 beneficiaries either through telephone calls or visits.

Mr. WILSON. That was encompassing 40,000 veterans meaning they had been there three or four times.

Dr. CUSTIS. That doesn't show what 91 centers could do, now that they are in full operation.

Mr. WILSON. Some of these centers just came on line recently.

Mr. BOLAND. I presume a number of those telephone calls were just inquiries, too, looking for information on what the center does.

Mr. WILSON. There was some, but invariably, it would be follow-up, people asking for more information; sometimes family members.

Mr. BOLAND. Can you indicate how much was in the 1982 Carter budget for Operation Outreach?

Dr. CUSTIS. It was $31.4 million and 552 FTEE.

CLOSURE OF HOSPITAL WARDS

Mr. BOLAND. I understand you propose closing 60 wards and saving $27,139,000 and 1,116 staff years as shown on page 6-16. How will you consolidate the inpatient workload?

Dr. CUSTIS. This is somewhat of a "paper exercise", a way of tentatively accounting for that portion of reduced staff. We have not identified these wards yet. We do know, however, that there are wards running at a 50 percent occupancy rate.

The concept here is to bring these patients into other wards and just lock those as standby wards.

There is some difficulty in this in that you would be mixing patients that normally wouldn't be mixed, surgical cases, psychiatric cases.

Mr. BOLAND. Is that bad?

Dr. CUSTIS. We would prefer not to do it, but it is something that could be accomplished and wouldn't seriously interfere with functions.

HOSPITAL BASED HOME CARE

Mr. BOLAND. The same page indicates that the hospital based home care program will be eliminated in 1982. That is supposed to reflect a savings of $6,200,000 and 240 staff years; is that correct?

Dr. CUSTIS. That is correct, sir. This is a relatively new, very innovative program. It has yet to be fully evaluated as to its effectiveness. It promises to be an important alternative to inpatient hospital care.

Mr. BOLAND. Do you really see it as doing that, too?

Dr. CUSTIS. Yes, sir. Dr. Paul Haber, again, is in charge of this program. Could we have his response?

Dr. HABER. I have little to add to what Dr. Custis has said. It is a new program, it is innovative. We know we can care for the patient outside the hospital for $12.59 a day, much less than the cost of a hospital stay.

Mr. BOLAND. If a program like this is eliminated, then veterans will go into the hospital, rather than stay at home. The difference in cost is substantial.

Dr. HABER. Yes. But we have not yet fully evaluated the program, as Dr. Custis has said. Evaluations are underway.

AGING PROGRAMS

Dr. CUSTIS. We are very proud of some of the innovative work we have done in geriatrics and gerontology.

We feel the veterans health care system is a test base in which many things can be done to show the Nation innovative approaches.

Mr. BOLAND. Provided that you have the money.

Dr. CUSTIS. Providing we have the resources. This is one of them. Others include our fellowship training in geriatrics and our team training for geriatric care. I think we are really ahead of the country. It is with some reluctance that we see resources being cut back in these areas.

Mr. BOLAND. I suppose you should, because many patients will stay in your hospital for a longer period of time, since it is the only place they have to stay.

Mrs. BOGGS. Mr. Chairman, also the veteran population is getting older and older and it seems, down the road, you could be saving a great deal of money and providing better health care.

Dr. CUSTIS. By 1990, a high percentage of males over the age of 65 will be veterans.

Mr. GREEN. Doesn't that raise some real policy issues as to whether we can treat that large a section of the elderly population, apart from the general population?

Dr. CUSTIS. In our planning, we say we should be prepared to treat 20 percent of that.

Mr. GREEN. That would be ten percent of the elderly male population. Can you tell me what that is based on?

Dr. HABER. Yes, sir. That figure was developed in accordance with Public Law 95-480, which mandated that there would be three programs, a State, a VA and a community nursing home program by developing our own capability in terms of the Presidential guidelines. We have developed the figure of 20 percent of the total market share to be cared for by the VA and one of its three programs. It has worked out very well.

Mr. GREEN. That 20 percent, I gather, is essentially a White House directive rather than anything that came out——

Dr. HABER. No. It came from the Congress because Congress mandated the number of VA nursing home care beds. We have tailored other programs as to what the States want and what our budget will allow, which incidentally comes pretty close to the cost for hospital care.

Mr. BOLAND. You say this will result in a savings of $6,200,000. How much more will the cost be if these people are hospitalized? You indicated what the cost per day is in home-based hospital care, versus VA hospital care.

Dr. HABER. The same veterans being hospitalized would cost us four to five times as much. One of the problems with the study Dr. Custis spoke about is that we have to be sure we get comparable patients.

Mr. BOLAND. Did the VA or the OMB suggest terminating this program?

Dr. HABER. I think this was one of a number of suggestions that came up. We feel the program is a good program, but we have to take cuts somewhere.

Mr. WILSON. The OMB didn't tell us to eliminate this program.

Mr. BOLAND. Was there an instruction from OMB to cut particular programs in some of these areas?

Mr. WILSON. There was an instruction to cut the psychological Readjustment Counseling program, but not this program.

JANUARY VERSUS MARCH ESTIMATE

Mr. BOLAND. On page 6-39R, the estimated number of VA hospital patients treated remains the same in 1981 and 1982 under both the Carter and Reagan budgets. The estimate for 1982 is 1,238,070 patients treated. However, on page 6-42R, the Reagan cost estimates for VA hospitals in 1981 and 1982 are $33,199,000 and $154,362,000, respectively, lower than the Carter cost estimates. Also, on page 6-35R, the Reagan estimates for FTEE for VA hospitals are 1,104 in 1981 and 2,484 in 1982 less than the respective Carter estimates.

How can the Reagan budget propose treating the same number of patients in 1981 and 1982 as the Carter budget proposed, with less staff and at a considerably lower cost than the Carter budget assumed?

I guess the bottom line is, can you really treat the same number of patients with fewer dollars and less staff?

Dr. CUSTIS. This was a question also raised the day before yesterday which has to do with an item called increased productivity on the part of our staff, with the dollar savings associated with it. That is when I made the remark, "when the going gets tough, the tough get going."

I think that it remains to be seen, Mr. Chairman. I am sure our staff will be responsive and try to step up their productivity. It is something we see happening year after year. This is one of the reasons there is a progressive decrease in length of patient stay and faster turnover. It remains to be seen whether this will bottom out. We are counting on it to continue.

Mr. BOLAND. These figures also lead to the question of whether the estimates are accurate.

Dr. CUSTIS. They are estimates.

Mr. BOLAND. Are they accurate?

Dr. CUSTIS. We hope.

LENGTH OF PATIENT STAY

Mr. BOLAND. Have you done any studies about the consequences of shorter length of stays? Are the patients, as a result of the shorter stays, back in sooner, and do the shorter stays appear to be medically valid?

Dr. CUSTIS. No, sir, I don't think so.

We have been under, as you well know, pressure for years by adversaries who are criticizing the VA hospital length of stay. What isn't generally appreciated by the critics of the VA health care system is that we have a class of patients that can't be compared to the average private care patient. We have socio-economic deprived patients with nowhere else to go. We have patients coming in from a distance, who couldn't be worked up medically prior to admission, but we also know that a very small fraction of all our patients account for the great percentage of the length-of-stay figure. Ours is not a comparable situation to private medicine.

If we pick a diagnosis calling for short-term acute care, then our length of stay comes down considerably and begins to compare favorably with the private sector.

In the last analysis, I think you have to rely on independent medical judgment as to when the patient is ready for discharge. In reducing length of stay I doubt that we have compromised the health of the patient.

Mrs. BOGGS [presiding]. In the private sector, physicians have the same difficulty with PSRO. If we are to shorten the stay in hospitals, won't home health services be even more indicated?

Dr. CUSTIS. Yes, ma'am.

INFLATION AND INCREASED USAGE

Mrs. BOGGS. The 1980 actual average cost per patient day in VA facilities increased in every instance over the 1980 estimates in last year's justification.

What caused the 1980 actual costs to exceed the estimates of last year?

Dr. CUSTIS. I think the best answer I can give to that, is inflation and increased usage. By that, I mean new medications, all the things that go with advances in technology.

Mr. WILSON. Also increased unbudgeted salary costs, Mrs. Boggs.

Mrs. BOGGS. If the 1980 costs were all understated last year, what does that say for your revised 1981 and 1982 cost estimates?

Mr. NELSON. Our estimates are as accurate as we can project at this time. Our estimates are no better than anybody else's. The bottom line is we will be living with whatever is appropriated by the Congress and if that would end up having an adverse effect on the number of patients treated, that would be our only option.

Mrs. BOGGS. In your estimates of patient care, are the increased costs of energy and food indicated?

Mr. NELSON. Yes, based on a 9.1 percent factor for 1982.

Mrs. BOGGS. I would assume certainly the cost of energy was factored into the 1982 budget because we knew that, of course, controls went off on the 1st of October, 1981.

Was there any way of estimating the increased costs of energy that would come about from the lifting of the controls all of a sudden between now and October 1st?

Mr. NELSON. This budget doesn't reflect an increase for that.

Mrs. BOGGS. So it couldn't possibly be accurate?

Mr. NELSON. Not in that regard.

OUTPATIENT MEDICAL AND DENTAL FEE COSTS

Mr. GREEN. On page 6–49, I notice the outpatient medical and dental fees have escalated rapidly over the last several years. Have you done any comparison of this with non-VA medical costs and how do your cost increases compare with other sectors of the industry?

Dr. AARONIAN. We couldn't complete our dental cases cheaper than the private program. The public law in that regard has made a tremendous impact on the dental workload, Public Law 96–22, which is high.

Mr. GREEN. You are satisfied the increases are in line with what is going on in the private sector?

Dr. AARONIAN. Yes.

SOCIOECONOMIC PROGRAMS

Mr. GREEN. Dr. Custis, treatment is being offered for excessive gamblers. Is that an activity in which the VA should be getting involved?

Dr. CUSTIS. Yes, sir; that is correct. Some of our psychologists have become interested in an effort comparable to Alcoholics Anonymous, called Gamblers Anonymous. It is more popular in the private sector.

As we all know, gambling can be an addiction. This is based on the concept that addicts can be treated. There has never been an official sanction for treatment of gambling addiction in the VA. However, with resources on hand, there have been some unauthorized programs started. As a matter of fact, I have just recently asked for an identification of where those programs are and the resources involved.

Mr. GREEN. I assume you will be able to reach a judgment as to the extent of the budgetary pressures in this activity after you get that information.

Dr. CUSTIS. I have a concern about this which I wish to express. I think the Nation, the health care industry in the United States in general has had a progressive escalation of costs for health care which has come under more and more concern and criticism. It is an investment now reaching nine percent of the gross national product.

There are authorities, contributing to the literature, complaining that part of this is traceable to socioeconomic programs being hung on the medical model. My concern about this issue—the treatment through Gamblers Anonymous type format—is that whereas one can't argue about its worth on a priority basis when we are getting into more resource restraint for treating medically ill veterans, are we justified in promoting such a thing. We know we are marginally staffed for patient care and expect it will get worse before it gets better.

I might be so bold as to suggest that Dorothy Starbuck might consider relieving DM&S of these Gamblers Anonymous programs.

Ms. STARBUCK. Thank you, Doctor. Give them the benefits, then tell them how not to spend it.

Dr. CUSTIS. I think for DM&S the program is inappropriate.

Mrs. BOGGS. Could part of the counseling for other types of difficulties such as alcohol and drug use be related to the gambling counseling?

Dr. CUSTIS. Some years ago, you know, we decided that alcoholism was a disease. At that point in time, it became the responsibility of the health care industry to treat that disease, and I don't mean to underestimate the importance of the treatment of alcoholism, but it is, to some degree, an example of what I am talking about. The socioeconomic aspects that are now part and parcel of medical care are commendable so long as we identify them, know their cost and their drain on our medical care resources. But some judgment regarding priorities has to be brought to bear in the allocation of scarce medical resources.

I might also say in the case of the Navy, that when the alcohol treatment programs got started early in the 1970's, it was decided the medical system would take care of the detoxification and the medical aspects, but the addiction, per se, be handled by the Bureau of Personnel.

ALCOHOLISM RESEARCH

Mr. GREEN. I see that your research priorities, according to the justifications, do include alcoholism as a research area. I wonder, are you also doing research on the drug addition problem?

Dr. CUSTIS. I am not sure. I also am not sure whether we are doing research on gambling as an addiction. That is a facetious response.

May I refer your question to Dr. Boren?

Dr. BOREN. Our patient load regarding alcohol constitutes some 90,000 admissions a year and we have 4,600 admissions for alcohol psychoses and 19,400 cases of cirrhosis. For this reason, starting back in 1978, alcoholism research became a priority area and we

have had two years of specially solicited proposals looking at the broad biological area as to the causes, biochemical changes and stages of alcoholism. This is ongoing, publications have been and continue to be forthcoming. It is a highly productive program.

Mr. GREEN. Are you doing anything similar on drugs?

Dr. BOREN. Not of the same magnitude as alcohol. There is less than a million dollars in the area of drug abuse research.

Dr. CUSTIS. We are not doing any on gambling.

Dr. BOREN. None on gambling, sir.

HOSPITAL OPERATING BEDS

Mrs. BOGGS. Dr. Custis, the number of VA hospital operating beds at the end of each fiscal year has been decreasing. At the end of fiscal year 1978, it was 90,154. The revised estimate for the end of 1982 is 78,900, as shown on page 6–39R. That is a decline of 11,254 operating beds in four years.

When do the reductions end?

Dr. CUSTIS. The reduction in hospital beds predates the Carter Administration. The reasons for closure are multiple. Starting with the Presidential Guidance of 1977–1978, wherein one provision was that resources would be provided to correct as rapidly as possible fire, safety and privacy violations or the lack of meeting OSHA standards.

Part of that guidance was an estimate that this correction, and the elimination of beds that went along with it, would account for approximately 1,600 bed closures per year between 1976 and 1987. We still have a way to go in the rehabilitation of wards that don't meet fire, safety and privacy standards.

SUBSTANDARD BUILDINGS AND BEDS

Mr. GREEN. Could you tell us how many of these substandard buildings still exist?

Dr. CUSTIS. It is estimated that if we were to correct all substandard hospital wards we could possibly be closing 20,000 additional beds.

Mr. GREEN. What is your plan for dealing with that?

Dr. CUSTIS. We need guidance in this area. The Presidental guidance of 1978, I think, has been overtaken by events. We would hope, from our standpoint, that with the grassroots planning that I have alluded to previously, to have a much better data base on which to plan any further modifications of bed sizings.

We also are very conscious of legislation in Congress which tasks us with a greater role as a contingency resource to military medicine and the need for contingency beds should that happen.

Mr. GREEN. Thank you.

Mrs. BOGGS. Are you saying, that the fact that there are 1,800 fewer operating beds estimated in the revised 1982 estimate than in the Carter 1982 estimate is caused by some of these particular difficulties? Why is the revised 1982 estimate for the number of operating beds 1,800 lower than the Carter estimate?

Dr. CUSTIS. You must realize we have done a lot of cogitating in the last week. I am not sure whether our 60 ward closures are caught up in that figure. Our ward closures do not necessarily

mean those beds will be lost. It just means we will no longer staff those wards. They will no longer be operating hospital beds.

Mr. GREEN. So those could be part of those you reserve for military purposes?

Dr. CUSTIS. Yes.

LENGTH OF STAY ESTIMATES

Mrs. BOGGS. Last year, the length of stay estimate for 1980 was 21.9 days. The 1980 column of the 1982 budget indicates the average length of stay was 22.6 days (page 6-39R).

Why was the average length of stay in 1980 longer than had been estimated?

Dr. CUSTIS. The progressive reduction in the length of stay is something we have been seeing year after year, part of the same things we have been talking about—alternatives to hospital care, increased productivity and better staffing. The estimates, year after year, of next year's length of stay is a matter of extrapolating that trend.

This is going to bottom out sometime. When it happens, it will probably contradict our estimate for that year. I am beginning to feel uncomfortable particularly as we talk about reduction of 5,181 in staff, that this coming year may see that happen. This figure may well be an early index of that, if we are not realizing the increased turnover and continuing shortening of length of stay.

Dr. HUGHES. One other consideration is the increasing age of our population and the increasing number of problems they have, and it does take longer to get them out of the hospital.

Mrs. BOGGS. So really, cutting back so drastically on staff adds to the cost of the veteran's stay in the hospital?

Dr. CUSTIS. If, theoretically, we should have a progressive loss of staff, one of the first things we will see appear in our statistics is that our census will start climbing and our length of stay will start climbing, simply because there will not be the sufficiency of staff to take care of patients.

Mrs. BOGGS. The initial 1981 justification estimated that the average length of stay in a VA hospital in 1981 would be 21.8 days.

Why has the 1981 estimated length of stay increased to 22.4 days? I would think the additional staff provided last year would, if anything, reduce the average length of stay.

Dr. CUSTIS. Mrs. Boggs, I think I have responded about as well and as far as I can.

Dr. BAGANZ. There have been a number of questions on length of stay and patients treated; perhaps I can either confuse or clarify the issue. Number one, we are speaking of averages. When you do, you have to know of the complement, the case mix, the age of the veterans and the diagnosis. So when you deal with averages it does not tell you much, except for looking at the trend. Let me preface a little bit about the length of stay apropos to the comment Mr. Green made relative to the community.

Between the Comptroller General and the Administrator of the VA, over the period of the last several years we developed a formula for determining the size of hospitals for future construction and have an agreement between the Congress and VA called "the bed size model." In that, we use community lengths of stay as reported

in a reporting system that has 1,830 hospitals, which is community length of stay data. We are comfortable using that for acute medical and surgery. The problem we had with GAO initially was that they insisted it be either sex- or age-adjusted. It is now age-adjusted, and we are using that for all our construction sizing and are using community lengths of stay.

To give you a feel as to what the data shows on the average, if we take patients who have had a stay of under 30 days and are discharged, their average length of stay is 9.4 days. If we take that as a percentage of all patients we treat, that is 82 percent of all patients discharged from VA hospitals stay less than 30 days, with an average of 9.4. That starts to give you a feel. You must still realize in those discharges are other than what would be called acute patients in the community. If we just take off the top three percent of the patients and use 97 percent of all our discharges, we reduce our length of stay in half, to 15.5 from 29 days if we take everybody. You have to look at what is in the averages. We have some patients who have been under our care since we acquired hospitals from the Public Health Service in 1922. So when we have a ten-year discharge it may skew the data, but the PAS on Professional Activity Study data only deals with the 90th percentile.

Your comment as to the patient-days requirement, which is from the National Center for Health Statistics, does get back to Mr. Boland's question as to how we treat patients with the staff in view of our aging population. Those figures, I think, are particularly significant. If you take the Vietnam-era group, who would be age 25 to 34, perhaps they use 61 days of inpatient care, acute care per hundred. If we go to the typical World War II veteran, age 45 to 54, they use 128 days of care per hundred males. The age 65 to 74, is 344 days of care per hundred population, males. And if it is over age 75, it is 617 days of acute care per hundred male adult population. So depending on the age of our patients, the impact would be on days of care, not long-term care.

Mrs. BOGGS. Were there not legislative inhibitions in getting the sex and income base down?

Dr. BAGANZ. We know we have twice as many minorities in our hospitals. We have most of our patients below $7,000 income. They just do not have that data.

EDUCATION AND TRAINING EMPLOYMENT

Mrs. BOGGS. Thank you very much. Thank you for the clarification.

On page 6-35R, under FTEE by activity, the 1982 total average employment decreases from 186,287 in the January budget to 181,106 in the revised budget. Percentage-wise that is a 2.8 percent reduction. The 1982 average employment for education and training support goes from 9,091 in the January budget to 8,964 in the revised budget. Percentage-wise that is a 1.4 percent reduction.

Why was average employment for education and training support not reduced more?

Dr. CUSTIS. Even though we have had increments in our budgets the past few years, the inflationary impacts are such that we have been in a declining budget situation for the last four years. We have been and are continuing to protect our education and training

FTEE, because of our great concern that the House staff and our relationship with our affiliate schools are the guarantors of quality of care. It should be the last thing that is compromised.

That is a rather general answer to a specific question.

Dr. Worthen may want to add to that.

Dr. WORTHEN. The two dimensions you mention are the key ones. The cost return in these trainees is high and the quality of care is insured and that has been a time proven element in the philosophy of our affiliations.

Mrs. BOGGS. So that would account for the fact that the reduction is half as much as the overall average reduction.

MEDICAL SCHOOL AFFILIATIONS

Mr. GREEN. Out of curiosity, on what percent of your beds do you have a medical school involved?

Dr. CUSTIS. Perhaps we can furnish that for the record. I am not sure we can identify the exact number of beds that are teaching beds. I can give you more general figures.

Mr. GREEN. I was asking what percent of your hospitals by bed count have these affiliations.

Dr. WORTHEN. 137 out of the 172 are affiliated with medical schools. We could supply for the record the bed number.

Mr. GREEN. I would like that. Thank you.

[The information follows:]

One hundred and thirty-seven of our 172 medical centers are affiliated with medical schools (80 percent). The 137 affiliated medical centers have 69,852 of the 82,894 beds (84.3 percent). The occupancy rate of both affiliated and non-affiliated medical centers is 81 percent.

Mrs. BOGGS. Mr. Stokes.

Mr. STOKES. I do not have anything at this time, thank you.

DENTAL FEE LIMITATIONS

Mrs. BOGGS. The Veterans Health Care Amendments of 1979 (Public Law 96-22) placed a ceiling of $45.2 million on expenditures for fee dental care. The amendments directed VA to provide dental services to hospitalized veterans for non-service-connected dental conditions only to the extent that facilities and staff were available after care had been provided to veterans with service-connected dental conditions, unless the veteran (1) has a dental emergency, or (2) has a compelling medical need for dental treatment. The dental provisions of P.L. 96-22 became effective on October 1, 1979.

During the first year after implementation of Public Law 96-22, the number of veterans authorized dental care under the fee program increased by about 20,000 over fee program authorizations in fiscal year 1979. Your budget submission shows that the $45.2 million ceiling on fee program expenditures was exceeded by about $8 million in fiscal year 1980 (page 6-44R).

What specific steps were taken to implement Public Law 96-22? Why did these steps fail to result in a decrease in fee program referrals and costs?

Dr. AARONIAN. Public Law 96-22 impacted and raised our workload by some 35,000 cases the first year. The program began in January of 1980. The law was passed in October; however, imple-

mentation did not take place until after January, when the information was put into checkstuffers as a means of notifying veterans.

Since that time, our workload has increased to such an extent that the staff improved productivity in 1 year between 1979 and 1980 by over 2,000 cases. The 2,000 increase was in addition to our responsibility for inpatient care regarding specific patients who receive comprehensive care within our hospitals.

We are monitoring the program, we have had conferences to inform our people regarding to what they should be doing, and we have a monthly monitoring program.

The program is still increasing slightly, it has not leveled off as yet, and we are still seeing the impacts of Public Law 96–22.

This did make some 330,000 veterans eligible who had not had dental care before.

Mrs. BOGGS. The 1982 budget estimate predicts a decrease to $37,189,000 in the fee dental program. In light of the failure of past actions to decrease fee program referrals and costs, what additional steps are you planning to take to limit referrals to the fee program?

Dr. AARONIAN. We are trying again to increase the workload by our staff. That is the only way we can do it. If additional funding is not available, we probably will have a waiting list.

Mrs. BOGGS. But if we have this predicted decrease, what was the basis for it?

Dr. AARONIAN. The fee dental workload as predicted, was not decreasing at the time of the 1981 and 1982 budget estimates. The class 1 dental program was decreasing. However, Public Law 96–22 was passed, giving us the impact of additional workloads.

DENTAL CLINIC PRODUCTIVITY

Mrs. BOGGS. Thank you very much.

Both the National Academy of Sciences and the General Accounting Office have recommended ways to increase the productivity of VA dental clinics, including (1) increased use of dental hygienists, assistants, and expanded function dental auxiliaries (EFDAs); (2) increased use of two-chair dentistry; (3) use of clerical personnel to perform administrative duties that were being performed by dentists; and (4) reduced the number of broken appointments.

What specific actions has VA taken to implement the NAS and GAO recommendations?

Dr. AARONIAN. We have increased and expanded our dental facilities to some extent. However, we are restricted with regard to additional auxiliary areas which are needed and have been in our budget in the past. We agreed with the NAS findings as a matter of fact and we are still working to increase our utilization of auxiliaries.

Mrs. BOGGS. How many VA dentists devote less than 50 percent of their time to direct patient care?

Dr. AARONIAN. I would hope in answer to that, that it would be none.

Mrs. BOGGS. Could their patient care time be increased by using clerical personnel to perform some of their administrative duties?

Dr. AARONIAN. Clerical personnel as well as auxiliaries, additional auxiliaries, but again we are talking about additional FTEE.

Mrs. BOGGS. Apparently dentists have to devote a lot of time to administrative duties.

Dr. AARONIAN. Some, I would say, yes.

Mrs. BOGGS. That of course, takes them away from their direct patient care time.

Dr. AARONIAN. If I may modify that. When we say some administration, we are talking mainly about supervisors. Staff dentists usually do not have that much administration.

Mrs. BOGGS. What has been the difficulty in getting expanded-function dental auxiliary assistance on line?

Dr. AARONIAN. Well, the entire concept of utilization of expanded function—if you have one of these individuals who is working directly under the supervision of a dentist where the dentist does the preparation of the cavity, then turns the patient over to the expanded-function auxiliary who inserts the filling, then that auxiliary also needs an assistant to work. Because of our staffing ratios, we do not have this capability. At the present time, we have nine expanded-function auxiliaries and we are doing a study on the nine to see exactly where and how we can use them in our system.

DENTAL STAFFING

Mrs. BOGGS. Thank you very much.

Your budget submission provides for an increase of six dentists for fiscal year 1982 (page 6-35R).

Do you also plan increases in the number of hygienists, dental assistants, and EFDAs, and in view of the NAS and GAO findings, would it not be wiser to increase the number of support personnel rather than the number of dentists?

Dr. AARONIAN. I would agree with the latter statement; however, I would defer to the Chief Medical Director relative to the additional FTEE.

Mrs. BOGGS. Yes, Doctor?

Dr. CUSTIS. Mrs. Boggs, I keep thinking that you are giving examples of our own concern about the removal of essential support personnel from the primary delivery health care team. We would be anxious to increase the physician assistant, the dental assistant, the nurse assistant-type personnel. It could only make for increased productivity and efficiency on the part of the nurses, doctors, and dentists. I think it comes down to the FTEE ceiling allowances

BENEFICIARY TRAVEL

Mrs. BOGGS. On page 6-44R, under travel, the table shows the estimate for beneficiary travel in 1982 decreasing from $92,955,000 in the January budget to $84,143,000 in the revised budget. That revised estimate, of course, does not take into consideration the legislative proposal to save $35 million in beneficiary travel.

Dr. CUSTIS. In the revised budget, an $8 million savings is identified for 1981, to be achieved through legislation. The nature of that legislation we addressed a little earlier this morning. The $35 million is for 1982. We are expected to save $8 million in 1981.

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Whether or not that can be accomplished depends on the nature of the legislation and how soon it can be implemented. We are already six months into the year. However, the reduction you refer to is the result of our outpatient workload.

SPACE RENTED PAYMENTS TO GSA

Mrs. BOGGS. On page 6–44R, under "rents, communications, and utilities," the GSA basic space rental charge for 1980 was $15,337,000, and the estimate for 1981 is $18,783,000. Last year, the 1980 estimate for space rental was $16,225,000, and the 1981 estimate was $19,936,000.

What caused the 1980 actual standard level user charge to be $888,000 less than the estimate?

Mr. WILSON. I think I can answer that, Mrs. Boggs. That is a charge to us by GSA. It is a charge we have little control over. I think that is an updated figure from GSA.

Mrs. BOGGS. So that would take care of the current 1981 estimate, also?

Mr. WILSON. Yes. Yes, ma'am.

EQUIPMENT FUNDS

Mrs. BOGGS. On page 6–45R, the 1982 revised request for equipment is $210,167,000. That is a decrease of $37,257,000 below the January request. However, the 1982 request is more than double the 1981 estimate of $90,279,000.

Why didn't you take more out of equipment in applying the Reagan budget reductions?

Mr. WILSON. As I recall, we took a $154.6 million reduction last year, during the fiscal year 1981 budget squeeze of last spring; this was an attempt to get part of that back. The equipment backlog is something watched very, very closely and it was believed this was the best estimate we could come up with.

Dr. JACOBY. As Mr. Wilson said earlier, we took $154.6 million in the 1981 budget amendment and in reconstructing the total dollar amount of our equipment needs, and taking into account our backlog, this was a figure right on course, if we figure in escalation costs of equipment and so forth. As you notice in the 1980 actual, we were at $204 million in that same category.

So, fundamentally, we were building in what our requirements were in 1982. Under no circumstances could we ever afford within this health care delivery system to take major cuts in equipment two years in a row.

PROSTHETIC APPLIANCES

Mrs. BOGGS. Also on page 6–45R, the revised 1982 request for Prosthetic Appliances is $73,106,000. That is a decrease of $5,963,000 below the January 1982 budget request.

Why did you apply such a large reduction to that activity? What is the effect of the $5,963,000 reduction?

Mr. WILSON. I believe Mrs. Boggs that is a part of the total cut we had to take with about $5 million of it being placed there.

Dr. CUSTIS. To paraphrase what Mr. Wilson has said, we are not sure we have exercised the best judgments in all these reductions. We may have cut too deeply into prosthetics.

Mrs. BOGGS. So you cannot tell us the effect of this reduction?

Mr. WILSON. The effect of prosthetic reductions usually results, instead of buying persons new limbs, in the repair of old limbs and existing limbs and making them last longer.

Mrs. BOGGS. You have such new and wonderful technology, some of it a fallout from the space program, it is a shame our veterans cannot be the beneficiaries of it.

Mr. HOFFMAN. That still represents an increase over the 1980 level of $11 million.

Dr. JACOBY. I might add also that what we did, we had a reduction in increased usage, part of which was then backed off, because total dollar values were in that rather significant change in 1981 and 1982. That mirrors itself in the revised Reagan budget.

LANDS AND STRUCTURES

Mrs. BOGGS. On page 6-45R, the 1980 actual cost of lands and structures was $91,052,000. Last year's 1980 estimate was $33,834,000.

What caused the 1980 cost of lands and structures to be $57,218,000 over the estimate?

Mr. PABST. Lands and Structures is something of a misnomer. It is in essence another equipment account, it is building services equipment. The same reason given earlier for the other equipment account would be appropriate in this case also.

Mrs. BOGGS. What was the reason for such a large increase? This is in the same year. The original estimate and then the revised estimate.

Mr. WILSON. Mrs. Boggs, let us supply that for the record. This is a misnomer, as Mr. Pabst has said and it is rather confusing. We need to clarify it.

Mrs. BOGGS. It would be well to clarify it because we are talking about mechanical provisions, also.

Mr. NELSON. I think I can throw some light on this. We are looking at "costs" as opposed to "obligations." In our equipment areas, in the fourth quarter of fiscal year 1979, there were quite a large number of M&R projects and equipment orders that were awarded in the last quarter, which would not have been delivered until fiscal year 1980. That shows up here as a cost in fiscal year 1980. So it was not really obligated in 1980, but in 1979.

DENTAL FEES

Mrs. BOGGS. On page 6-49, the dental service fee increased from $579.67 in 1979 to $762.57 in 1980.

What caused such a large increase in the dental service fee?

Dr. AARONIAN. This is an annual increase. The rates run anywhere from an eight to ten percent increase a year in fees, which are nationwide. It is an annual increase.

Mrs. BOGGS. One of the problems we see is that many of our hospitals want to obtain some of these systems—such as a clinical lab computer or an outpatient scheduling system—but you may want to review those plans to make sure they are cost-effective.

How do you resolve the conflict between possibly slowing a hospital down while trying to install these systems in some coordinated and cost-effective manner?

Dr. CUSTIS. Mrs. Boggs, Dr. Whitcomb, in charge of our Medical Computer Services Division, will answer that question.

Dr. WHITCOMB. I might use the pharmacy system as an example, and as you know, we have not had much opportunity to install automated data processing systems in VA medical centers. The pharmacy system is the first. The implementation plan calls for the first installation in District No. 17, in Chicago. Our plan is to supplement the local pharmacy staff on a temporary basis, while the prescription files are being converted from a manual to an automated system. There are two approaches to this task. One would be a crash program to convert the files in a number of days, and the other is to convert the files while parallel systems exist. The latter is presently planned as we install the pharmacy system.

Mrs. BOGGS. Thank you.

While you are doing much of this conversion and installation of these so-called "functional, single purpose" systems, you are also carefully studying the feasibility of "comprehensive" systems that combine many of these "single purpose" functions into one, overall computer system that can be installed in a medical center.

Which way do you think you will ultimately go—with functional or comprehensive systems—and, what criteria are important to VA in answering that question—cost, time or reliability? What others?

Dr. WHITCOMB. The mandate of 1980, in that mandate, the Conference Committee directed that the VA should determine which of the systems might be most cost-effective and of maximum benefit in the patient care area and secondly, that both the systems in the private sector, those commercially available and those within the VA system, operating systems that is, should be evaluated.

The mandate further indicated that the impact of both individual functional systems and integrated systems on the system as a whole was to be evaluated utilizing a suitably engineered validation and testing methodology. A plan has been developed and is under review. Our 1982 budget follows on that mandate of 1981.

Mrs. BOGGS. Thank you very much.

What are your current plans for testing and installing patient care and internal hospital systems at your medical centers?

How much is in your fiscal year 1982 budget for this project? For the record, give us a breakdown.

[The information follows:]

Our current plan is designed to address the directions and expectations of the conferees. The plan under consideration is as follows:

For FY '81

(1) Release an RFP for technical assistance to develop the strategy and plan for functional and integrated technology selection and for the methodology to evaluate actual demonstrations of functional and integrated systems within the VA and those commercially available.

This RFP is written and has been forwarded to the Assistant Administrator for Supply.

(2) Assign the 10 FTE provided for continued planning and for management capability and technical support to the Computerized Medical Systems Office of DM&S.

(3) Proceed with in house development, conversion and installation of currently authorized functional and integrated applications. These are:

a. The Pharmacy System (APPLES) - The revision of the software of the Outpatient program with enhancements to serve inpatient pharmacy and the installation of this system in District #17.

b. The Automated Hospital Information System (AHIS) at the Washington VAMC; the conversion of the software of AHIS to serve the one station.

c. The Update of Clinical Laboratory Systems in eight VAMCs with the addition of scheduling/registration/admission, discharge and transfer applications.

For FY '82

The plan for '82 follows on the mandate of the Conference Committee. The Amended Budget provides $2,978,000. We propose $423,000 be utilized for 13 FTE (10 FTE provided in '81 and 3 FTE provided in '82); $600,000 for continued technical assistance in methodology and $1,955,000 for the lease of functional or integrated technologies for demonstration in VA Medical Centers.

CHARGE FOR OUTPATIENT VISITS

Mrs. BOGGS. I would like to go back to the questioning on the outpatient visits and clarify an area I do not think we covered.

Instead of reducing the number of outpatient visits, why not propose legislation that all nonservice-connected patients will pay $10 or $20 per visit?

Dr. CUSTIS. This is for professional services, not for travel?

Mrs. BOGGS. Yes.

Dr. CUSTIS. Frankly, it is an option we have not previously considered.

Mr. WILSON. We have never considered that option that I know of.

Did you limit your question, Mrs. Boggs, to nonservice-connected?

Mrs. BOGGS. Yes.

Mr. WILSON. It is not an option that we have considered.

Mrs. BOGGS. Is it worthy of serious consideration, do you think?

Mr. WILSON. I would have to say certainly it would not be an appropriate thing in my view with respect to pensioners. It would be a difficult thing for people who have certified they are not able to pay. I would have to give it a lot of thought. Off the top of my head, I am not at this moment in favor of it.

Mrs. BOGGS. I am sure the caseworkers in my home office would agree with you.

Mr. WILSON. It would cause enormous problems I think because people get different kinds of treatment in one given day as opposed to another day when they just go into one clinic or one doctor. It would be a very difficult thing to administer, and there is a very serious question of equity.

Mrs. BOGGS. This, of course, has been a proposal from several different sources. For our benefit, it would be beneficial to us if you could provide a more detailed response for the record.

Mr. WILSON. We will review it, Mrs. Boggs, but quite frankly, I have never heard the proposal, but we will review it and provide for the record our comments.

Mrs. BOGGS. Thank you very much.

[The information follows:]

The Department of Medicine and Surgery would be reluctant to recommend legislation that would require all nonservice-connected patients to pay $10 or $20 per outpatient visit for the following reasons:

Many NSC veterans now certify their inability to pay relatively small costs for transportation incident to obtaining VA medical care. If they cannot pay $3 or $4 transportation, they would be less able to pay a $10 or $20 outpatient visit fee.

Many NSC veterans receive VA pensions because they are permanently disabled and their income is below a recognized national minimum standard of need. While the proportion of male veterans hospitalized decreases as income increases, those male veterans in VA medical centers are more likely to have incomes less than $7,000 than veterans in all other hospitals, regardless of age. Sixty percent of all admissions have annual incomes of $4,000 or less. Charging them a fee for outpatient visits would create a hardship for them and place the VA in a position of taking back a benefit which it had determined was necessary for the veteran.

A reasonable assumption can be made that such a policy would reduce our outpatient workload. Several studies have shown similar effects of such payments in private sector HMOs. The elimination of a sizable number of veterans from the outpatient program will change the patient mix and will affect the level of the acuity of the patients who are ultimately seen as inpatients. The exact effect of these changes are unknown, but they could well lead to higher per diem and per patient costs, and are in conflict with the notion of using lower cost ambulatory care services instead of expensive inpatient service. Our hospital care is at least five times more costly than outpatient care.

With the implementation of P.L. 96-330 (going behind the oath) those NSC veterans who are financially able to defray medical expenses would not receive care, except on an emergent basis, at a VA medical center. The agency has been unable to implement this portion of the law due to inaction on the part of OMB in processing the necessary test forms; their rationale: "They apparently are not happy with the VA asking income and insurance questions of veterans." Without asking specific questions on income and insurance coverage, we cannot implement this portion of P.L. 96-330 which will reduce workload because 28.8 percent of applicants are treated on their first visit. Outpatient health insurance policies will impact the ambulatory care (to obviate the need for hospitalization) type of outpatient care.

Veterans who would be required to pay a fee for medical care would, in many instances, avail themselves of other federal or federally supported health care programs to which they may be entitled. We would, in effect, be shifting the cost of health care from one federal program budget, proven to be a cost effective system, that increased its cost of care by approximately 7% in FY 80 to another that experienced an annual 16.1% increase in providing care for the same period of time. In addition, this same alternate system experienced a 17.9% increase in the last quarter of FY 80. Shifting care from DM&S to the private sector will place greater cost to the taxpaying public and increase the cost of medical care.

We have not had time to do a thorough cost study of this proposal. We believe, however, the following analysis sound, even if quickly done:

ASSUMPTIONS

a. Compensation and Pension Visits--will not be subject to the deductible.

b. Veterans in receipt of pension will not be subject to the deductible.

POTENTIAL RECOVERY

FY 1980	NSC Visits	6,618,395
	Pension Visits	(952,649)
	A&A Visits	(185,015)
		5,480,731
NSC	10-10 Visits	1,446,365
	10-10 Pension	(248,153)
	10-10 A&A	(31,401)
		1,166,811
Total # of NSC Visits Subject to Deductible		6,647,542

@ $10 = $66,475,420 @ $20 = $132,550,840

COST ASSOCIATED WITH PROGRAM IMPLEMENTATION

PERSONNEL

172 Hospitals --	
MAS - 4 FTEE per facility GS-5/5	10,521,032
Fiscal - 2 FTEE per facility GS-5/5	5,260,516
Social Work - 1 FTEE per fac. GS-12/5	5,778,735
56 Clinics --	
MAS - 2 FTEE per facility	1,712,726
Fiscal - 1 FTEE per facility	856,363
Social Work - 1 FTEE per fac. GS-12/5	1,881,449
MAIL	3,589,672
STATIONARY	1,994,262

ADP Support Including Personnel Required to implement system	
Recurring	$ 5,219,984
Non-recurring	19,432,000
Total First Year Cost of Implementation	$ 56,246,739

It is estimated that 60 percent of the veterans presenting themselves to VA for treatment have incomes of $4,000 or less. With this assumption it appears unrealistic to anticipate a collection rate at anywhere near 100 percent of those billed. Our collection rates now on third party and Tort cases have been approximately 16 percent of the amount billed. In many of these cases, it was imprudent to pursue costly legal action because of the relatively small amount due per case. Deductible billing cannot be assumed to achieve any greater success in collection. If only 16 percent of the amount billed were collected we could anticipate recovery with: $10 deductible = $10,636,067; $20 deductible = $21,272,134. With the projected implementation cost we cannot support a deductible proposal in the face of an initial start-up cost of $56 million.

Mrs. BOGGS. The Committee has several other questions for the record.

[The questions and answers follow:]

Question. You have been studying the use of computers for improved patient care and information exchange in your hospitals for several years.

What needs to be done in that area at VA?

Answer. There are critical and pressing needs for patient care. The priority needs are for ADP assistance in the functional areas of Scheduling, Registration, Admission/Discharge, Transfer, Pharmacy and Clinical Laboratory. Beyond these, we have identified 15 functional areas and 40 subsystems. We hope to proceed in these areas in accordance with the mandate of the Conference Committee.

Question. You are currently installing a pharmacy computer system throughout the medical center network. Also, we understand you are converting some of your clinical laboratory and scheduling systems so that they may be installed at several medical centers.

Explain these projects and their objectives.

Answer. *Pharmacy.*—Between fiscal years 81-85, nineteen (19) VA owned mini-computers will be utilized to supply automated pharmacy support to 155 VA pharmacies. The system will be implemented in two phases. The first phase involves the implementation of a VA developed outpatient pharmacy system (APPLES), which will be converted to process on the VA owned mini-computers. The second implementation phase will merge pharmacy inpatient and inventory control functions with the outpatient system. The objectives to be accomplished by the implementation of the automated pharmacy system include: reduce patient waiting time; eliminating dispensing of duplicate medication; reduce the risk of adverse drug interactions; provide a medication profile for each patient thus permitting utilization review by the clinical staff as required by accrediting agencies; provide a mechanism for inventory control and management reports.

Clin Lab/Scheduling.—Eight Va Medical Centers are currently utilizing Honeywell Clinical Laboratory Systems. In September 1979 the VA entered into a contract with Honeywell to purchase all equipment at each site, upgrade processors to the Series 716 System which includes registration, scheduling, admissions, discharge, and transfer for the four sites that were running with the Series 316 System, and augment the hardware and lab instrument interface configurations at all sites. This project will benefit the VA in the following ways:

1. Standardization of hardware and software at all eight sites will facilitate program administration and system maintenance.
2. Admission, Discharge and Scheduling functions on the 716 systems will be made available to all sites.
3. Standardization will lead to uniform procedures and functionality as well as development of transportable technical skills of the data processing professionals at each site.
4. Enhancements in the hardware and operating system will improve overall performance and functionality.

How have the revisions affected your plans?

Pharmacy.—To implement a system of this magnitude, the VA must insure that pharmacy personnel are adequately trained and supported during system implementation. The initial DM&S fiscal year 1982 budget submission requested $1.4 million and was predominantly for travel/training expenses and implementation support. The DM&S budget request was reduced to $300,000. If additional funds cannot be obtained, the VA will be forced to implement a reduced number of sites contingent on funds available instead of the previously scheduled 22 sites.

Clin/Lab Scheduling.—The funds for purchase of hardware and software to complete the current contract will not be impacted. We may, however, be cut in the areas of travel and outstanding software modifications requested by the medical centers.

What hospitals will have these systems installed?

Pharmacy.—See Attachment.

Clin/Lab Scheduling.—The Medical Centers involved are the following:

Minneapolis VAMC	Houston VAMC
Durham VAMC	Birmingham VAMC
Long Beach VAMC	Wadsworth VAMC
Miami VAMC	Hines VAMC

Does making these systems available to your hospitals conform with their own sense of priorities of what they need?

Pharmacy.—VA outpatient drugs dispensed more than tripled from 1970 to 1980, increasing from 10.5 million in 1970 to 36.7 million in 1980. The VA health care facilities are well aware that with the decline in ADP costs and a dramatic increase in the number of outpatient drugs dispensed, the cost savings of converting to an automated system is greater than ever before. In a recently completed VA survey, all one hundred nineteen (119) VAMCs that responded indicated a need for ADP support within their respective pharmacy.

Clin/Lab Scheduling.—The eight hospitals involved consider this project to be of the highest priority.

Pharmacy.—Installation is planned for the following Medical Centers by the end of 1982.

Westside VAMC
Lakeside VAMC
Hines VAMC
North Chicago
Ann Arbor VAMC
Toledo OPS
Minneapolis VAMC
St. Paul OPC
Allen Park VAMC
San Diego VAMC
Battle Creek VAMC
Grand Rapids OPS
Fargo VAMC
Wood VAMC
Saginaw VAMC
Sioux Falls VAMC
San Diego OPC
Birmingham VAMC
Houston VAMC
Beaumont OPS
St. Cloud VAMC
Madison VAMC

Question.—The Office of Data Management and Telecommunications is an active participant in this computer work.

How are your two groups coordinating on this effort?

Answer. The DM&S Computerized Medical Systems Office (CMSO) and ODM&T's Health Care Delivery System Support Service are the two VA elements who provide the continunity for planning, development and implementation of health care related ADP systems. This is accomplished at various levels within these organizations. These top management officials communicate on a planning level on a daily basis. For major projects, such as Pharmacy and Clinical Laboratory, joint implementation committees are formed made up of end-user, CMSO, and ODM&T representatives to plan, develop and implement ADP systems. For other projects, working groups or teams of analysts are assigned from CMSO and ODM&T to coordinate plans and specifications for development. At this level user assistance is available on an as needed basis.

This approach has proven to work exceptionally well, and our plans are to continue on this basis.

Question.—We heard the criticism on the Target System a few years ago that neither DVB nor ODM&T seemed to be in charge of that project. The GAO has raised that question again on the Health Care Information System (HCIS) project.

Is DM&S in charge or is ODM&T?

Answer. Current VA ADP policy and procedures specifically define the roles and responsibilities of ODM&T and the User Departments and Staff Offices with respect to the management of ADP projects. Interim Issues 00-80-15 and 00-80-16 assign specific management responsibilities to the ODM&T Project Manager and the User Program Manager during the various phases of the ADP Systems Life Cycle.

Question.—There are many commercially available systems and some that are already working within VA.

Do you plan to use those systems? You don't plan to build your own, do you?

Answer. The Conference Committee mandate instructed us to evaluate both commercially available systems and those within the VA. It is our intention to proceed in conformity with that mandate.

MEDICAL AND PROSTHETIC RESEARCH

Mrs. BOGGS. Turn to Medical and Prosthetic Research. For 1982 you are requesting $145,699,000, an increase of $7,451,000 over 1981 when the supplemental request of $6,095,000 for increased pay costs is included. Average employment for 1982 is 4,293, a decrease of 76 from the revised 1981 estimate.

The revised request for average employment in 1982 is 4,293. This is a decrease of 308 from the January budget request and 67 below the 1980 level (page 7-3R).

What effect will this reduction have on the program, and how will this affect the VA's ability to attract and retain physicians?

Dr. CUSTIS. Dr. Boren.

BUDGET REDUCTIONS

Dr. BOREN. Thank you, Mrs. Boggs.

In regard to these reductions, first on the dollars, in the 1982 budget is a reduction of $9,682,000. To accomplish this reduction, $7,988,000 was taken from medical research, $764,000 from rehabilitation research and development, and $930,000 from health care services research and development.

The impact of this is that there will only be ongoing programs in both rehabilitation and health care services. So the following remarks are on medical research in general, which took $7.99 million of the $9.7 million reduction. The impact is as follows.

PROGRAM REDUCTIONS

The investigator-initiated areas of research are to be reduced by $2 million and 115 FTEE. Areas of Special Emphasis which have been identified in the past or major health care problems to the veterans will be reduced by $609,000 and 37 FTEE. The Career Development program which involves some 192 positions will be reduced by $800,000 and 15 FTEE. The Cooperative Study programs for which I think VA is well known will be reduced by $300,000 and 17 FTEE.

The largest cut of all, $4,279,000 and 40 FTEE, will be in the priority areas of regeneration, spinal cord injury, alcoholism, delayed stress disorders, schizophrenia, and aging including expansion of GRECCS. All of these will be reduced.

In terms of FTEE, there is a cut of 308 in 1982. I think we should also remember that in 1980, because of the freeze that affected research but did not affect medical care, we started at a level reduced by 50 FTEE.

There is another peculiarity in research and prosthetics, and that is we are not paying physicians' salaries. These FTEE are for supporting technicians who are on term appointments which are time limited.

In terms of the Career Development program, this is one of the major thrusts for the research program in VA and a cut obviously has its impact.

Mrs. BOGGS. It is very disturbing, of course, because we know the remarkable work the VA has done in all these areas. After all, it was in the investigative section that the CT scanner was developed. But especially, I wonder, how will this affect VA's ability to retain and attract physicians? Certainly the attraction has been in these areas, where physicians are able to contribute in some significant way.

RETENTION OF STAFF

Dr. BOREN. The bright young people who the VA wants to come aboard, are affected as you cut back on these programs. A cut back of $2 million on investigator-initiated research impairs this vital function.

Mr. GREEN. Just for the record, what you are talking about here, are decreases to the increases proposed in the January budget.

Dr. BOREN. There is an increase of $7.5 million, $5.5 million which are uncontrollable.

Dr. CUSTIS. There is a slight decrease in staff.

Mrs. BOGGS. The areas of regeneration of the spinal column and delayed-stress are particularly interesting to me at the moment. An entire page of the Times-Picayune/States-Item recently was devoted to the delayed stress problems of Vietnam veterans and the effect on the families and on the community.

Thank you very much, Doctor.

SUPPLIES AND MATERIALS

On page 7-14R, the cost for Supplies and Materials goes from $14,955,000 in 1980 to $13,591,000 in 1981 to $18,759,000 in 1982. Why are you requesting over a $5 million increase in 1982 for Supplies and Materials? That is nearly a 40-percent increase.

Dr. BOREN. In 1981 there was a necessity to use supply dollars primarily for equipment purchases—portable equipment in newly constructed areas and for the replacement of obsolete equipment.

As far as the 1982 estimates, we do believe these are correct, and I can give them to you for the record, if you would like them, by category.

Mrs. BOGGS. With the reduction in staff, it seems strange that there would be an increase in supplies and materials.

Dr. BOREN. What you have to do is increase the "core" facilities supplies and equipment and increase the equipment that has automated data processing built into it to partially offset the reduction of FTEE.

REHABILITATIVE RESEARCH

Mrs. BOGGS. The revised 1982 request for rehabilitative research is $9,421,000 and 109 staff years. This is a decrease of $764,000 and 46 staff years from the 1982 January request.

Why was this activity reduced, and why not take all of the reduction in other activities?

Dr. BOREN. In the merit review portion of the rehabilitative research, there were not as many requests for funds as there were in other areas.

HOSPICE PROGRAM

Mrs. BOGGS. On page 7-20, the last paragraph, is mention of a contract to evaluate the palliative treatment (HOSPICE) program.

What is the cost of this contract, who is conducting the evaluation, and what has been found out to date?

Dr. CUSTIS. This is a pilot program, Mrs. Boggs, in Los Angeles. Go ahead, Paul.

Dr. HABER. The HOSPICE program has been a program that we started at the VA hospital in Los Angeles. A health services research and development project was sponsored with a California university. Dr. Robert Cane has come in to brief several of us. The protocol has been completed and the collection of data will begin in March of 1981. Our plans are to let this run for several years to determine whether or not HOSPICE is effective and is a cost-effective program. This is a program that has wide interest in the

community. No one yet has done controlled studies, although the GAO has made a study we are likely to disburse this further in the VA until we get the final results.

The answer is that we do not yet have the answers, we are beginning the collection of data.

HOSPITAL GRANTS

Mr. GREEN. I know that Health and Human Services has made grants for hospitals around the Country. Do you have any plans for relating your research to that demonstration?

Dr. HABER. Yes. Dr. Cane, who is doing the research for us, is a renowned authority on this. He was involved in the White House Conference on Aging. We are very closely in touch with Department of Health and Human Services. He has been their consultant as well.

Mrs. BOGGS. It is another example of the innovative attitude of the Veterans Administration in areas of the greatest need for the veteran population. It certainly is answering a very popular demand throughout the Country. I have a personal prejudice with regard to the hospice movement, so I will not expand on it. I think it is remarkable.

Dr. CUSTIS. You might be interested to know that Loretta Young is very closely identified with the VA program out there.

Mrs. BOGGS. I am pleased that she is. She is a splendid advocate for all types of very remarkable services and has been through the years. She could be of enormous help to this program; I am very pleased that you told me that.

I am not certain about this, but I will pursue the question because I have had a couple of visits to my office from a group that suggests the use of technological means to rehabilitate disabled veterans while they are recuperating and before they leave the hospital to try to make their way in the world. It seems the idea has been successfully used in other groups and obviously they would like to work with the VA or have someone contract with the VA for this kind of service. Of course I recognize that VA cannot stretch its budget to accommodate anything new right now, but I would like to simply get your ideas about whether we could, in any way, think of providing our inpatient, in-hospital patients before they leave the hospital with some kind of individual training.

TRAINING FOR THE HOUSEBOUND

Ms. STARBUCK. We have had approaches made to the Department of Veterans Benefits by individuals who are interested primarily in what we call a housebound disabled veteran, to provide training for such an individual.

What the results of those contacts have been, have been essentially negative at the time, but if you would like, Mrs. Boggs, I will be very happy to review this with the rehabilitation and counseling staff, to see just what kinds of approaches have been made, what they involve, and what our reaction has been. If you would like that either for the record or personally, either way.

Mrs. BOGGS. For the record may be a good idea, since this home work type of program is what we seem to be getting to, except that

apparently we are cutting out the home health services. It would be interesting, I think, to us for consideration later if we had some of your ideas on the validity of this type of program.

Dr. JACOBY. If I can add to that, the Rehabilitation Service just recently had a discussion with a private computer corporation. Particularly in the area of the severely handicapped, there is a small project, at the present time, with the DM&S Rehab Service, in which they are using computer programs in order to provide vocational rehabilitation for severely handicapped. With an effort, these individuals would attain a skill. However, the handicapped individual would be performing that duty mainly in his own home. So we are involved in that program.

Mrs. BOGGS. Particularly in such areas as business service analysis, it is job-related rehabilitation, and it seemed to be an interesting concept. I know that VA is always the lead agency in this type of concept.

Also, Mr. Coughlin and Mr. Traxler have expressed some interest in it. I did not know where this fits in, but I thought perhaps this was the best place to ask.

[The information follows:]

On October 30, 1980, VACO program officials from the Department of Veterans Benefits, Vocational Rehabilitation and Counseling Service met with representatives of Control Data Corporation (CDC). The meeting was requested by Control Data Corporation representatives to present information concerning prevocational and vocational training programs for veterans with service-connected disabilities. The program presented integrates the products and services of two CDC programs:

"Fair Break for the Handicapped" and "Homework"

"Fair Break for the Handicapped" provides remedial training in basic skills and general education for educational disadvantaged, handicapped individuals. The objective of the program is to raise the level of literacy skills needed for attainment of the GED Certificate or for participation in subsequent vocational training programs and employment.

"Homework" is primarily a program of education, training and employment assistance for individuals who are "homebound" because of the handicapping effects of their disabilities. Under this program, CDC provides the necessary equipment, materials and instructions to train the individuals for employment in the computer field or with CDC.

Both programs are delivered via an individualized computer based instruction system called PLATO®. PLATO® is a system designed specifically for the delivery of training and educational curricula, and it can be used anywhere there are telephone communications -- on Control Data Corporation sites, on customer sites, and in the home.

Decisions about the use of particular training programs and materials for chapter 31 trainees are best made at the regional office level. CDC staff was asked to contact each regional office Vocational Rehabilitation and Counseling Division to explore the potential use of this type of training. CDC representatives were provided a listing of all VR&C offices.

Seventeen veterans in four regional office areas are pursuing training under chapter 31 through the CDC programs. Of these, 14 are being provided the basic skills training (Fair Break for

the Handicapped) at CDC learning centers (Baltimore RO - 2 and Washington RO - 12). One veteran at St. Paul RO and one veteran at Philadelphia VAC are pursuing homebound instruction through the "Homework Program" with an additional veteran awaiting contract approval for homebound instruction at the Baltimore RO.

The Control Data Corporation has submitted a proposal to develop "agreements" which would standardize terms and conditions allowing regional offices to more easily contract for CDC training services for disabled veterans. The CDC proposal is being reviewed in the agency to determine whether the proposed "agreements" are in compliance with federal and VA procurement regulations.

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MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

Mrs. BOGGS. Turn to Medical Administration and Miscellaneous Operating Expenses (MAMOE). For 1982 you are requesting $58,400,000, an increase of $5,591,000 over 1981 when the supplemental request of $1,591,000 for increased pay costs is included. Average employment for 1982 is 866, an increase of 27 above the revised 1981 request.

Page 8-3R, the actual 1980 average employment for Medical Administration and Miscellaneous Operating Expenses is 831. Last year, the 1980 estimated average employment was 812.

AVERAGE EMPLOYMENT INCREASE

What accounts for the increase in average employment, and where did the money to fund the additional average employment come from?

Dr. CUSTIS. I will ask Mr. Nelson to follow my remarks.

Over a period of quite a few years, we have had central office personnel stationed, for the record at the VA hospital in Washington. We used to do the same thing in the Navy with personnel at Bethesda Naval Hospital who actually were working at the Bureau of Medicine and Surgery. It was a common practice; I am sure the VA was not an exception. The Inspector General however recognized this and took issue with it. To make a long story short, there were some 41 FTEE that were transferred from medical care to MAMOE.

Mr. NELSON. The actual FTEE would be something less than 41. The Inspector General made us go back to make the transfer. There were not 41 bodies on board for a year. I do not know exactly the FTEE portion of it. We were able to do this within the Department; however, funds could not be transferred from one appropriation to another, so the MAMOE appropriation had to absorb the increase in funding in both fiscal year 1980 and fiscal year 1981. The fiscal year 1982 budget shows that we are seeking budget authority transfer.

Mrs. BOGGS. Monies were appropriated to pay personnel in other areas.

Mr. NELSON. Under the Medical Care appropriation, and the Inspector General rules that is improper, they should not be paid for out of Medical Care.

Dr. CUSTIS. Specifically, the makeup of these numbers consisted of some of the staff conducting the multilevel care study. When that study was first started it was thought it could be classified under Medical Care, and there were one or two others.

Mrs. BOGGS. Would those reductions be reflected from other areas?

Mr. NELSON. Yes, Medical Care would be reduced by the amount.

PUBLIC LAW 96-330

Mrs. BOGGS. On page 8-3, the 1981 Carter budget requested a supplemental appropriation of $1,508,000 and 21 staff years to implement Public Law 96-330, the VA Health Care Personnel Act of

1980. The Reagan budget amendments deleted the supplemental request of $1,508,000 and reduced the staff year requirement to seven.

How can you now implement Public Law 96-330 with seven staff years when your original estimate was 21?

Dr. CUSTIS. I have not found the page you are on.

Mrs. BOGGS. At the bottom of 8-3, number 4, "Additional requirements for the implementation of P.L. 96-330 . . ." There was plus $1,508,000 and plus 21 FTEE.

Mr. WILSON. Then, Mrs. Boggs, I think those are one of the facts of life cuts we are going to have to live with.

Mrs. BOGGS. But can you implement the public law?

Dr. CUSTIS. There were only portions of P.L. 96-330 that we have had appropriations for or have been able to request appropriations for.

One, for example, was that there was to be a minimal appropriation for the increase of GRECCS, in the January budget. But in the revised budget, that has been eliminated. I think probably that is the explanation for that.

Mrs. BOGGS. Were the 1981 supplemental estimates submitted in January accurate?

Dr. CUSTIS. It was accurate for what we intended. In the agency's ZBB submission, we had requested sufficient resources to fully implement P.L. 96-330. The OMB passback, however, only included specific resources for the physician-dentist bonus provisions of P.L. 96-330. These resources totaled $1,508,000 for the MAMOE appropriation. FTEE without dollars was also provided to accomplish studies mandated by Public Law 96-330.

HEALTH CARE INFORMATION SYSTEM

Mrs. BOGGS. On page 8-10, the 1982 Carter request included an additional 25 staff years for health care information system activities. The revised request is for three additional staff years.

What are you now proposing to do with the three additional staff years, and what would have been done with the 25 additional staff years?

Dr. CUSTIS. Dr. Whitcomb.

Dr. WHITCOMB. We had a total of $3.9 million and 25 FTEE in the first budget estimate. It was our plan and following on the mandate, we would actually have demonstrations of automated data processing systems that need to be validated for use. Now that the FTEE increase has been reduced to three, we actually have a total of 13, if indeed the Department has enough ceiling to accommodate it, we would have a total of 13 people to attempt to carry out the mandate. It will make a significant reduction in the amount of work to be done.

The amount of funds left actually to purchase or lease, and we think the latter would be the root demonstration in the private sector, would probably be limited to one and at best two.

Mrs. BOGGS. The figure is $1,678,000.

FIVE YEAR PLANS

Mrs. BOGGS. Also on page 8-10, item number 8, the request is for $100,000 and three additional staff years to develop and evaluate

five-year plans for the orderly construction, replacement, and alteration of medical facilities.

How many people are currently engaged in this activity?

Dr. CUSTIS. Mr. Pabst.

Mr. PABST. Currently, there are approximately 17 in that area.

Mrs. BOGGS. How does the Department of Medicine and Surgery coordinate the construction of planning activities with the Office of Construction?

Mr. PABST. That is done day to day, working with the Office of Construction. These would be used primarily in the five-year planning effort which involves more coordination in the Office of Medicine and Surgery rather than across one department to the other.

Mrs. BOGGS. Thank you.

Mr. Green, would you like to pose any questions?

Mr. GREEN. No questions.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

Mrs. BOGGS. Let us turn to Grants for Construction of State Extended-Care Facilities.

For fiscal year 1982 you are requesting $18 million, an increase of $3 million above the 1981 appropriation of $15 million (page 9-3).

Why didn't the Reagan amendments reduce this program?

Mr. WILSON. I think I can answer, Mrs. Boggs.

This is a program which is in cooperation with the different States, where the States share the expenses. It was one we considered to be very good and which should not be considered for reduction. Several award packages came to my desk before the decision was made. I specifically had got into discussion as to whether we should hold these up, and the answer came back these would not be subject to the cuts.

PROJECT BACKLOGS

Dr. HABER. We have a backlog of about $50 million worth of construction projects from States and we have indications that even this will be exceeded. As I indicated earlier in response to Mr. Coughlin's question, we feel the program has been very successful. It certainly is a good example of the benefit to the Federal government and to the States.

Mr. WILSON. There are also some situations, one particularly I recall in Pennsylvania, where we complained that a certain home up there was not meeting our standards. The State people were feeling the same way, too.

Dr. HABER. At Erie, Pennsylvania, the condition of the home was deplorable. Through this program it has been replaced with a modern fireproof building.

PROJECT PRIORITY

Mrs. BOGGS. As I understand it, projects are approved on a first-come, first-served basis. Is that correct?

Dr. HABER. Yes.

Mrs. BOGGS. Does the Administrator have discretion in determining project priority?

Dr. HABER. At the present time, the law makes no provision. We felt rather than have the VA decide which States were most needy, the first-come, first-served process would be the fairest. GAO has undertaken a study of this. In informal conversations with them, they have indicated they feel the program is proceeding very well. However, they rate the issue of priorities so as to meet high safety code deficiencies in an emergency manner. When we get that report, we will consider a revision.

Mr. COY. We feel the Administrator would have that authority.

GRANTS TO THE REPUBLIC OF THE PHILIPPINES

Mrs. BOGGS. Next will be Grants to the Republic of the Philippines, page 10-3. There is no request for funds in the fiscal year 1982 Carter budget.

Last year's Committee report states, and I quote:

> The Committee concurs with the Administration that financial responsibility for this program should be transferred to the Philippine Government at the end of fiscal year 1981.

Does the Reagan Administration agree that funding for this program should be terminated?

Mr. WILSON. Mrs. Boggs, the official answer at the moment is yes, it does. No money is in the budget for 1982 for this program. However, I was recently over there in Manila, had conversations with the Charge D'Affaires at the Embassy and a lot of other people. I came back and asked the General Counsel's office to get in touch with the State Department to see what they feel about this situation. The hospital grant is an emotional thing. The people of the Philippines have a great love for it and have a love for the United States, because we have extended the grant over 6 times.

The Charge D'Affaires has had second thoughts about the emotional impact of this termination. Some of us at the Veterans Administration have had second thoughts. I have not cleared what I am saying with OMB or anyone else.

I am told, when the riots were going on in downtown Manila, the veterans organizations called up and said they could turn out 2,000 people in the space of two hours to protect the embassy. The ambassador told me, or the Charge D'Affaires Mr. Rosenthal told me, these people were our very, very best friends and best supporters of this hospital. There is a possibility we might change our mind about this $1,200,000 grant or some portion thereof.

Mrs. BOGGS. Mr. Green.

Mr. GREEN. This, by way of education, is designed to help veterans in the Philippines who fought in the American Army.

HOSPITAL SUPPORT

Mr. WILSON. Yes. We built the hospital and since that time have supported the hospital by grants through our yearly appropriations. We supported it ever since it was built in 1948.

I toured through the hospital; patient after patient walked up. It was a very deeply emotional thing. Time and again they would say, thanks, Mr. United States, that is Mr. America. I know the embassy has a serious concern about the termination of the grant. On the other hand I think the people at the hospital are used to the plan

to terminate the grant. However, I am not sure it has sunk in in spite of the fact that we have told them it would be terminated. Time and again they know the Congress and the President have changed their mind about this.

Mrs. BOGGS. Could you tell us why we decided to withdraw our support in the first place?

Mr. WILSON. It was one of those items looked at every year. There were on occasion, things that happened in the Philippines that were not friendly to the United States. I think that is one of the reasons the Congress and various Presidents have made a determination to terminate it. The feeling is the Philippine Government should take over the hospital and run it itself.

Mrs. BOGGS. Of course we got conflicting views on the floor as well from persons who served in the Philippines who support the American participation.

Mr. WILSON. I have to say I was lobbied quite heavily when I was there, but it was the kind that made you feel good to be an American.

Mrs. BOGGS. Thank you very much.

Mr. WILSON. There are some Filipino veterans who served our Country who get treated at that hospital.

REVOLVING AND TRUST FUNDS

Mrs. BOGGS. Now we will go to Revolving and Trust funds.

No appropriation by the Congress will be required for the operation of the Veterans Canteen Service during fiscal year 1982. The Canteen Service was established in 1946 to furnish at reasonable prices, merchandise and services necessary to the comfort and well-being of veterans in hospitals and domiciliaries operated by the VA.

The average employment goes from 3,442 in 1980 to 3,604 in 1981 and 1982 (page 12-3).

What is the effect of the Reagan budget amendments on the Canteen Service in 1981 and 1982?

Dr. CUSTIS. I will ask Ms. Quandt to participate in this response, Mrs. Boggs.

The freeze also involved employment in the Canteen Service, and at that time we called to the attention of OMB that the employees of the Canteen Service were not paid with appropriated funds. Then when the new ceilings arrived, again the Canteen Service was reduced in size and again this was called to their attention.

I think this manpower reduction is simply taken across the board. The response we received was if that reduction, specifically it came to 240, could be found in Medical Care personnel. We could substitute it. That was not a very attractive option. So the reduction you see here is part of a horizontal cut in employment.

Mrs. BOGGS. What is the average turnover?

Ms. QUANDT. Twenty-three percent. It is a high turnover rate because of their pay scale.

Mr. WILSON. I notice this page has not been updated.

Mrs. BOGGS. Why are these workers counted as Federal employees?

Ms. QUANDT. Because they are. There are very few changes, in the appointment process and their pay scale; other than that, they are Federal employees.

Mr. COY. It is important to note that full reimbursement comes directly and is made from nonappropriated funds, so there are, in fact, no appropriated funds used for even the fringe benefits to which they are entitled.

Mrs. BOGGS. But they are caught in the freeze anyway?

Mr. COY. They are called employees for that purpose.

Mr. WILSON. They are caught in the ceiling, Mrs. Boggs.

CONSTRUCTION AND OPERATION OF GARAGE AND PARKING FACILITIES

Mrs. BOGGS. Turn to Construction and Operation of Garage and Parking Facilities.

The request for fiscal year 1982 is $4,692,000 (page 12–11). This is the first time an appropriation is requested for this fund.

On page 12–11, the justification indicates the expense of this program to be $110,000 in 1980, $250,000 in 1981, and $5,079,000 in 1982.

Why is the expense of this program so much more in 1982 than in 1980 and 1981, and how does the $5,079,000 for 1982 break down between construction, alteration, operation, and maintenance?

Dr. CUSTIS. May I ask Mr. Pabst to answer that?

Mr. PABST. The reason that 1980 and 1981 show such a low cost is that we are still providing the cost of maintenance and operation of our parking facilities out of Medical Care Funds. The reason expenses appear to have jumped up so greatly in 1982 is because in that year the revolving fund, as it is called, becomes fully implemented.

The $5,079,000 level is what we have found, in surveying all our facilities, to be the cost of the maintenance and operation and some very minor construction work, like a space here or a space there. This does not reflect any "major" construction at all.

The bottom-line is that the larger 1982 figure is reflective of the revolving fund implementation.

Mrs. BOGGS. What happens if Congress denies the request?

Mr. PABST. If it denies the request, we will still have to dip into Medical Care in order to maintain and operate the facility parking. We would not have construction, but in fact this does not reflect "major" construction amounts.

Mr. GREEN. It does reflect the fact that the revenue falls far short of the cost of the operation.

Mr. PABST. Yes.

Mr. COY. Congress recently changed the language with respect to the authority for parking facilities and specifically indicated in section 5009 of title 38 that the amounts appropriated should be under that section; then it indicated that those amounts should be operated as a revolving fund. We have never fully activated the fund but it also says you activate it only to the extent provided for in the appropriation act. We are caught in a dilemma. Yet I must say if it is not funded and if reference were made in both the construction and Medical Care appropriations to the section 5009 or parking facility authority, then I think we could continue to

carry out parking activities under that type of guidance. We still, however, would not be utilizing the revolving fund.

COURT DECISION

Mrs. BOGGS. I am being reminded that the courts recently said we could not collect.

Mr. COY. That is true. The fund also would contain amounts appropriated for construction activities as well as amounts collected as fees. I might say, that court decision was related to something slightly different than the authority which has been given to the Administrator to collect fees. We have special authority to establish certain pay parking facilities in addition to the President's authority referred to in the court decision.

When we collect parking fees under our own authority we could still put the fees into a revolving fund, notwithstanding the court decision.

Mr. WILSON. Mrs. Boggs, I might say that court decision said the Administration could not administratively determine to take parking fees and specific legislation under the energy program would have, but I think the judge stayed his own order.

Mr. COY. There is a 5-day stay and they are still considering whether to appeal to a higher court.

SUPPLY REVOLVING FUND

Mrs. BOGGS. Let us turn to the Supply Fund, page 12–15. No appropriation is requested for fiscal year 1982. Average employment goes from 679 in 1980 to 696 in both 1981 and 1982.

Will the Reagan budget amendments affect the supply fund? If so, how? Explain—both for 1981 and 1982.

Mr. COOK. This page has not been revised. However, the Reagan budget reduces employment by 12 in 1981, and by 47 in 1982, and further reduces our cash outlay by $877,000.

Mrs. BOGGS. What is the current employment in the supply fund?

Mr. COOK. About 676, at the moment.

Mrs. BOGGS. As I understand it, the supply function was removed from the Department of Medicine and Surgery (DM&S) during 1980 and set up as an Assistant Administrator for Supply Services. Is that correct?

Mr. COOK. Yes, ma'am.

Mrs. BOGGS. If so, why was this change made? What benefits will be derived from this organizational change?

Mr. COOK. The change was made because the Administrator of the VA wanted more close control over supply services.

Mr. WILSON. He also believed that the supply activity should have an independence as opposed to being in the Department of Medicine and Surgery where most of its functions are performed; they are performed for the Department of Medicine and Surgery.

Mrs. BOGGS. Since the removal of the supply function from DM&S has there been any noticeable effect on the supply fund operation?

Mr. COOK. No. The function goes beyond the supply function. Only part of it is financed through the Supply Fund.

Mrs. BOGGS. What benefits will be derived?

Mr. COOK. The Administrator will have more control.

Mr. GREEN. Has DM&S had any control?

Dr. CUSTIS. We opposed this move.

Mr. GREEN. Since it has occurred, has there been any problem?

Dr. CUSTIS. Our Hospital Directors are concerned—this is probably not the place to air all this, and I will try to restrain myself—we see it as a fragmentation of management authority that properly belongs in the hands of the Hospital Directors and Central Office, too. We can understand the Administrator's reasons for this, and I am sure it is a matter of one's perspective, we still believe supply should be an integral part of the Department of Medicine and Surgery.

Mr. WILSON. Years ago, the Department of Veterans Benefits had their supply activity, insurance had their activity; however VA made a study and decided to consolidate the function because about 85 percent of the total functions related to the medical program. The then Administrator had a study made with respect to this matter. He made the decision knowing full well it was opposed by the Department of Medicine and Surgery. A number of our directors around the country have expressed concern about the matter, but I think Dr. Custis would agree, there has been no noticeable change in the service that has been given to the hospitals that I am aware of. But it has been a controversial matter.

Mrs. BOGGS. That verifies what you have said, that there is no noticeable effect on the supply operation.

Mr. COOK. That is correct.

Mrs. BOGGS. Mr. Green.

Mr. GREEN. No questions.

AGENT ORANGE

Mrs. BOGGS. There are several persons who have been enormously interested, and the veterans organizations have expressed interest in a problem we have touched on but perhaps we should ask further about, and that is the possible long-time effects of exposure to Agent Orange.

The Vietnam veterans and their families for some time now have been plagued with this wonder about what the long-term effects of exposure to Agent Orange are. Although it is widely suspected that Agent Orange may be responsible for such serious health effects as cancer and birth defects in offspring, the only effect thus far scientifically proven and recognized by the VA is chloracne—a skin condition. Despite a large number of claims submitted for possible Agent Orange-related problems, only two had been allowed when I last checked some months ago—and those were for cases of chloracne.

AGENT ORANGE CLAIMS

What is the status of Agent Orange-related claims now; and how many have been received and how many have been allowed?

Ms. STARBUCK. As of mid-March we have received 6,985. Five have been allowed, each one for the condition of chloracne.

Mr. WILSON. Dr. Custis I think could talk to the general subject, and also Dr. Shepard.

Dr. CUSTIS. Well, generally speaking, we feel quite sure that we are doing all we possibly can do in our own organization, with our own resources, and also in cooperation with interagency efforts. Dr. Shepard heads that office and has been doing—he and his staff have been doing a commendable job. You may want him to give you a status report.

Dr. SHEPARD. I would like to clear up one point on the chloracne which continues to be a bit confusing.

As Ms. Starbuck indicated, five cases have been adjudicated in favor of the veteran claiming his condition is that of chloracne. We have reviewed those cases and they do not accurately fulfill the diagnostic criteria for the disease. That does not suggest they are not service-connected and there are no justifications for their being compensated, but it is important to clear up that we do not think these are bona fide cases of chloracne.

In that connection we have launched an effort to review skin claims with a view of determining whether some true cases of chloracne might have been missed in the process of the original review. We are currently halfway through that review. If there are any questionable cases we will call the veterans in for an examination by dermatologists specially trained in this particular area. It is a condition not widespread, it is an unusual condition, therefore a dermatologist in his career will not see many cases. It is caused by exposure to chlorinated hydrocarbons.

Mr. COY. With respect to your question as to claims, you might be aware there are something in excess of 10,000 claims which have been filed under the Federal Tort Claims Act. Those claims are being coordinated by the Department of the Navy, and no final decision has been made on them.

RESEARCH EFFORT

Mrs. BOGGS. I understand that the VA has embarked on a research effort to study the effects of dioxin, the active ingredient in Agent Orange. The Carter 1982 budget planned $300,000 for another study. Will this amount still be retained for this purpose?

Dr. BOREN. Yes.

Mrs. BOGGS. How would you respond to the concerns expressed by some Vietnam veteran groups that the VA results are likely to be biased by a desire to avoid the large number of claims which would be likely to result from findings which support effects more extensive than chloracne? These groups assert that the research should be conducted independently of the VA itself. How do you react to this?

Dr. CUSTIS. First of all, Mrs. Boggs, this is perfectly understandable. We can understand this attitude. Even though we repeatedly try to do so, we find it very difficult to persuade the Vietnam veteran that we are not biased, that we are sincerely conscious of their anxiety and concern and that we want very much to find the answers to these questions. I can't believe anybody could fault us on insisting on scientific data. Until such time as the Congress wants to approach this problem from something other than recognition of disability based on scientific data and switch to some

blanket compensation approach such as given to black lung disease, we do not know of any other course to take except to pursue the studies and research efforts that are under way.

Mr. WILSON. I do not know of anything in the VA that has received more attention. Everybody in the Department of Medicine and Surgery is vitally concerned. They have been confronted with charges that we do not have the proper sympathy. These charges in my opinion are without foundation. We have spent an awful lot of money so far and still do not have the scientific evidence Dr. Custis spoke of. I would want to assure this Committee and everybody else that we believe we are doing everything we can do. Obviously, we sometimes make mistakes. We hope those are isolated cases. We are trying to computerize part of our fact-gathering capacity. We hope to stay on top of the problem and we intend to stay on top of the problem until we can come to some scientific validation. We cannot pay benefits for conditions which do not show up. We cannot pay until we get the scientific evidence that Dr. Custis talks about.

INTERAGENCY WORKING GROUP

Mrs. BOGGS. What have been the results of the Interagency Working Group on Agent Orange established by the Carter White House?

Dr. SHEPARD. That has been an active and effective group. It has been chaired by the General Counsel of Health and Human Services. It has been an effective mechanism for accomplishing its mandate, which is essentially monitoring ongoing research efforts by various Government and nongovernment agencies, coordinating the information arriving from these research efforts, and proposing additional research efforts that might bear on the question. Of particular interest to us is the Air Force Ranchhand study which will examine some 1,200 known individuals who actually conducted the spraying missions in Vietnam, and who really represent the only group on which the extent of exposure is well documented. In addition, that exposure is a great deal more than any other group of individuals. We view that as an important step in arriving at decisions.

Mr. WILSON. We understand the feelings and attitudes of a great many veterans around the Country who feel some of the conditions they have today are due to Agent Orange. They are being given every consideration we can give them.

Mrs. BOGGS. It is also reflective of the national concern with regard to hazardous materials.

Mr. WILSON. It is part and parcel.

Ms. STARBUCK. You might be interested to know all claims for compensation with an allegation of relationship to Agent Orange, are under control, and if at some future date there is scientific data as to cause, these cases can be identified.

Mr. WILSON. If a veteran shows up at one of our clinics, even though he feels it might be related to Agent Orange, if he has an illness and is eligible, he is treated at those clinics.

EXPOSURE TO ATOMIC WEAPONS TESTING

Mrs. BOGGS. Is research also being done on the effects of exposure to atomic weapons testing? What is the claims record for these complaints?

Ms. STARBUCK. We have an excellent relationship with the Nuclear Defense Study Group in the Department of Defense. We have a daily working relationship with them, and I have to say they have been super in providing services to the Department of Veterans Benefits in developing exposure evidence for us to consider in claims related to the exposure and from various tests. I could not devise a better working relationship if I had somebody on high to do it. They have been great.

I will provide the numbers of claims with respect to radiation for the record.

[The information follows:]

NUMBER OF CLAIMS WITH RESPECT TO RADIATION

As of the first of March, 2,032 claims have been processed, with the establishment of service-connected disability related to radiation exposure in 62 of those cases.

Mrs. BOGGS. I think that would be very helpful. Additionally, I think the evidence you have presented to us will be very helpful to all Members of Congress in answering the mail and the questions and the resolutions from the various chapters of the various veterans 'organizations. I thank you very much for it.

Mr. Green.

Mr. GREEN. No questions.

Mrs. BOGGS. We do thank all of you for your participation. You have been very patient, very complete in your testimony, and we do also have great gratitude for your work.

Mr. WILSON. May I say on behalf of all of us, every time we come before this Committee we are treated in the finest way. We have an excellent working relationship with this Committee, and we hope you would express to Mr. Boland our appreciation for his Chairmanship, and thank you for all your courtesies.

Mrs. BOGGS. Hearing adjourned. We will place the justifications in the record at this point.

[The justifications follow:]

JUSTIFICATION OF THE BUDGET ESTIMATES

VETERANS ADMINISTRATION

VOLUME I

GENERAL OPERATING EXPENSES
and
BENEFIT APPROPRIATIONS AND FUNDS

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GENERAL OPERATING EXPENSES

Appropriation Language

For necessary operating expenses of the Veterans Administration, not otherwise provided for, including uniforms or allowances therefor, as authorized by law; not to exceed $3,000 for official reception and representation expenses; cemeterial expenses as authorized by law, purchases of six passenger motor vehicles, for use in cemeterial operations, and hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard service, and the Department of Defense for the cost of overseas employee mail; [$627,592,000] $670,028,000.

Explanation of Language Change

The authority is requested to purchase six passenger cars for cemeterial operations. This will allow for the purchase of two replacement and four new motor vehicles. The four new vehicles are necessary due to the expansion of the Cemetery System.

Budget Amendment

For necessary operating expenses of the Veterans Administration, not otherwise provided for, including uniforms or allowances therefore, as authorized by law; not to exceed $3,000 for official reception and representation expenses; cemeterial expenses as authorized by law, purchase of (nine) six passenger motor vehicles, for use in cemeterial operations, and hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard service, and the Department of Defense for the cost of overseas employee mail; [$627,592,000] $603,728,000.

1982 Revised Budget Justifications

The fiscal year 1982 revised request is $66.3 million and 2,022 average employment below the January Budget level, consisting of the following reductions:

Detail	Budget Authority ($'s in thousands)	Average Employment
Consolidation of DVB Regional Office	$46,372	1,673
Decrease size of State Approval Agency payments by about one-half	8,800	...
Eliminate Vocational Rehabilitation Enhancements	2,700	115
Reductions to Central Office Staff	1,728	72
Close St. Paul Data Processing Center	3,000	140
Elimination of Office of Manpower	400	10
Elimination of Automated Micrographics project for DVB Records	400	12
Decreases in travel, consultant services equipment, and training	2,900	...

Appropriations Highlights
($'s in thousands)

	FY 1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
General Administration:					
Average employment	2,377	2,438	2,433	2,553	2,471
Total costs	$ 83,865	$ 92,531	$ 91,782	$ 97,489	$ 94,513
Dept. of Memorial Affairs:					
Average employment	1,111	1,165	1,164	1,164	1,164
Total costs	$ 30,552	$ 32,445	$ 32,397	$ 34,444	$ 34,409
Ofc. of Data Man. & Telecommunications:					
Average employment	1,968	1,973	1,973	2,051	1,911
Total costs	$ 61,351	$ 64,200	$ 62,821	$ 73,932	$ 70,753
Dept. of Veterans Benefits:					
Average employment	16,914	16,765	16,400	16,321	14,521
Total Costs	$437,447	$468,153	$456,329	$465,633	$405,523
Grand Total:					
Average employment	22,370	22,341	21,970	22,089	20,067
Total costs	$613,215	$657,329	$643,329	$671,498	$605,198
Changes in selected resources	- 7,998	...	...	...	...
Total obligations	605,217	657,329	643,329	671,498	605,198
Reimbursements	- 2,446	- 1,470	- 1,470	- 1,470	- 1,470
Unobligated balance lapsing	8,838	...	...	...	...
Budget authority	611,609	655,859	641,859	670,028	603,728
Supplementals:					
October 1980 pay raise	...	-27,017	-13,017	...	...
Wage Board pay raise	...	- 1,250	- 1,250	...	...
Appropriation rescinded (P.L. 96-304)	+ 5,000	...	...	...	...
Appropriation	616,609	627,592	627,592	670,028	603,728
Outlays	629,972	654,260	640,260	668,313	602,013

Changes from Original 1981 Budget Estimates

	1981 (dollars in thousands)		
	Budget Estimate	Current Estimate	Increase (+) Decrease (-)
General Administration:			
Average employment	2,382	~~2,433~~	~~+ 51~~
Total costs	$ 85,846	~~$ 92,531~~ $91,782	~~$ 6,685~~ $ 5,936
Dept. of Memorial Affairs:			
Average employment	1,165	~~1,165~~ 1,164	~~-1~~
Total costs	30,588	~~32,445~~ 32,397	~~+ 1,857~~ + 1,809
Ofc. of Data Management & Telecommunications:			
Average employment	1,921	1,913	+ 46
Total costs	62,136	~~64,200~~ 62,921	~~+ 2,064~~ + 685
Dept. of Veterans Benefits:			
Average employment	16,759	~~16,765~~ 16,400	~~+ 6~~ - 359
Total costs	434,431	~~460,153~~ +56,529	~~+25,722~~ +21,898
Grand Total:			
Average employment	22,233	~~22,341~~ 22,125	~~+ 108~~ - 263
Total costs/obligations	613,001	~~657,329~~ 656,829	~~+44,328~~ +43,828
Reimbursements	-1,370	-1,470	- 100
Budget authority	611,631	~~655,859~~ 641,859	~~+44,228~~ +30,228

~~$ 30,228,000~~ $ 641,859,000

The FY 1981 current estimate of ~~$655,859,000~~ represents an increase of ~~$44,228,000~~ over the revised FY 1981 Congressional request of $611,631,000. The FY 1981 current estimate includes $38,524,000 for the GS pay raise, $1,250,000 for the Wage Board increase; and additional funding authority provided by Congress for the expansion of the Agency's debt collection effort ($7,771,000), increase in payment to State Approval Agencies ($5,800,000); continuation of the fee basis counseling program ($2,219,000), and implementation of functional computer systems ($+900,000). These increases are offset by partial absorption of the October 1980 GS pay raise ($-22,507,000) and Congressional reductions in training ($500,000); Health Care Information System ($2,669,000); a 50% reduction in budgeted SES bonuses ($-160,000); and in certain administrative functions ($-400,000).

Average employment in FY 1981 is ~~100~~ 263 work years ~~above~~ Below the original 1981 budget request. This is due to additional average employment for the Agency's debt collection effort (135 work years); internal Agency reorganization (-12); and a 15 work year reduction in average employment for certain administrative functions. ADDITIONAL AVERAGE EMPLOYMENT REDUCTIONS OF 371 WORK YEARS IS DUE TO ELIMINATION OF EXPANSION OF VOCATIONAL REHABILITATION HOUSING (78) SALARIES FROM GUIDANCE WAGE HIRING RESTRICTIONS (311); AND ELIMINATION OF THE OFFICE OF MANPOWER PROGRAMS (-5).

Analysis of Increases and Decreases	FY 1981 Current Estimate	FY 1982 Estimate
o Prior year obligations	$ 605,217	$ 657,329
o Annualization of 10-79 pay raise	+ 2,296	...
o Cost and annualization of 10-80 GS pay raise	+ 27,017	+ 400
o Wage Board pay raise	+ 1,250	...
o Cost of one less work day	- 1,800	...
o Target savings	- 1,764	- 8,800
o Benefit workload decline	- 5,145	- 4,300
o Improved Agency ADP support	+ 9,746	+ 4,600
o Expanded debt collection activities	+ 3,559	+ 4,800
o CALM expansion	...	+ 1,394
o Increased Vocational Rehabilitation activities	+ 1,319	+ 1,400
o Cemeterial improvements	...	+ 1,781
o Civil Service Reform & Personnel training	+ 1,451	...
o Staff office support	...	+ 1,349
o Uncontrollable items-within grades, FTS, ARS GSA space, etc.	+ 12,345	+ 11,231
o Reduction in Target investment	- 4,250	...
o FY 1980 Rescinded Funding (non-payroll)	+ 5,000	...
o Equipment (DVB)	+ 1,088	...
o ADP Realignment	...	+ 314
Total Obligations	$ 657,329	$ 671,498

Explanation of Increases and Decreases - FY 1982

The amounts requested for 1982 represents a net ~~increase~~ REDUCTION of ~~$14.2~~ $28.1 million ~~above~~ FROM the 1981 estimate. The increase results primarily from expansion of the debt collection activity, conversion of 41 DM&S facilities to the centralized accounting system, expansion of Agency ADP programs; ~~expanded rehabilitation program for the severely disabled Vietnam Era Veteran~~; improved staff office support; and increased cemeterial workloads. These increases are offset by reductions resulting from additional CP&E Target System savings; and continued education workload decline; CONSOLIDATION OF CLAIMS PROCESSING ACTIVITIES, LOWER SAA COSTS, AND CLOSING THE ST. PAUL DPC.

Program Description

This appropriation funds the Veterans Administration non-medical administrative support costs for the following activities: General Administration, Department of Memorial Affairs, Office of Data Management and Telecommunications and the Department of Veterans Benefits.

General Administration covers the Administrator's Office and several other top Agency Staff Offices which provide management assistance and support to all Agency programs. The Office of Data Management and Telecommunications operates the Agency's computer centers and provides assistance in ADP system development and communications planning. The Department of Memorial Affairs operates and maintains 107 national cemeteries and 33 miscellaneous sites. The Department of Veterans Benefits operates a network of 59 ~~field~~ offices through which all non-medical veterans benefits ~~are processed~~. VETERANS CLAIMS ARE DEVELOPED.

Program Activity

The primary activity in this appropriation covers the administration of non-medical veterans benefits. This account primarily supports payroll expenses of personnel responsible for administering these non-medical benefits to the nation's veteran population. These benefits include the administration of the VA compensation, pension, education, GI loan, and insurance programs as well as the maintenance of the National Cemetery System. In FY 1982, workloads are expected to remain basically unchanged in the compensation and pension programs and continue to drop in education trainees.

~~The FY 1982 request includes an employment increase of 60 positions in the DVB vocational rehabilitation program. As a result of P.L. 96-466 the Department of Veterans Benefits is broadening its vocational rehabilitation program to assist disabled veterans in obtaining jobs rather than limiting the program function to restoring the employability of the disabled veteran.~~

The CP&E TARGET System was installed at all stations in FY 1980. The 1982 budget estimates have been reduced approximately 1,400 cumulative average employment in DVB in anticipation of productivity improvements resulting from installation of this project.

The FY 1981 G.O.E. request includes 179 work years and 301 positions for an expanded debt collection effort. The debt collection program will be further expanded in FY 1982. The FY 1982 request includes 318 work years and positions devoted to collection of debts. Resources for debt collection are included in the four following activities: General Counsel; Department of Veterans Benefits; Data Management and Controller.

In the Office of Data Management and Telecommunications the FY 1982 request includes plans to establish a Centralized Development Center which will ultimately have the responsibility for all computer programming - both development of new systems and maintenance of Old Systems. This center is to be co-located with the Austin data processing center.

With respect to ADP systems development, user departments and staff offices no longer have systems development responsibilities. Late in FY 1980, the Administrator authorized a realignment of ADP resources whereby the users responsibility in ADP would be confined to functional specifications, or what is to be accomplished by ADP; and ODM&T was assigned responsibility for systems development, design, programming, installation and operation - the how of accomplishment by ADP. This realignment resulted in a transfer of 36 positions to ODM&T: 16 from Controller; 11 from DVB; 7 from DM&S; and 2 from Construction. THIS INCREASE IS PARTIALLY OFFSET BY TRANSFERRING ST. PAUL DPC WORKLOAD TO THE LARGER DPCS IN FY 1982.

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The basic mission of the Department of Memorial Affairs is to provide for the interment in any open National Cemetery of eligible deceased service persons and discharged veterans; to permanently maintain these graves, and to mark the graves of each person in National, or upon proper application, in private cemeteries. The requested FY 1982 budget provides for the maintenance and operation of 140 existing cemeterial activities including the operation of recently opened cemeteries in New York (opened late in FY 1978), California (opened in FY 1979), and Massachusetts (opened in FY 1981). ADDITIONAL SAVINGS ARE ANTICIPATED IN DVB AS A RESULT OF CONSOLIDATING CLAIMS PROCESSING AND LOAN GUARANTY ACTIVITIES, AND REDUCING PAYMENTS TO STATE APPROVAL AGENCIES.

A narrative justification for each department and staff office under the General Operating Expenses appropriation follow the G.O.E. funding summary chart.

GENERAL ADMINISTRATION

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GENERAL ADMINISTRATION

1982 Revised Budget Justifications

Costs by Staff Office
($'s in thousands)

	1980	1981		1982	
	Actual	January	Revised	January	Revised
Office of Administrator	$ 1,943	$ 2,004	$ 1,994	$ 2,071	$ 2,013
Information Services	1,577	1,707	1,703	1,701	1,697
General Counsel	18,552	21,569	21,481	23,117	22,549
Board of Veterans Appeals	9,446	10,577	10,572	11,121	10,876
Personnel	6,876	8,093	7,830	8,406	7,775
Manpower	408	403	202	500	...
Planning and Program Evaluation	2,573	2,989	2,976	3,084	3,023
Inspector General	11,641	12,536	12,409	12,868	12,477
Management Services	745	724	724	1,124	1,124
Administrative Services	14,235	14,388	14,386	15,519	15,445
Controller	14,887	16,498	16,480	16,889	16,463
Office of Human Goals	982	1,043	1,025	1,089	1,071
Total costs	83,865	92,531	91,782	97,489	94,513
Financing Adjustments	- 875	- 60	- 60	- 60	- 60
Budget Authority	$82,990	$92,471	$91,722	$97,429	$94,453

GENERAL ADMINISTRATION

Introduction

"General Administration" is funded from the "General Operating Expenses" appropriation. This activity consists of the Office of the Administrator and all agency level staff offices, except the Office of the Assistant Administrator for Construction.

Summary of Requirements
($'s in thousands)

	1980 Actual	1981 Estimate	1982 Estimate	Increase (+) Decrease (-)
Office of Administrator	$ 1,943	$ 2,004	$ 2,071	$+ 67
Information Services	1,577	1,707	1,701	- 6
General Counsel	18,552	21,569	23,117	+1,548
Board of Veterans Appeals	9,446	10,577	11,121	+ 544
Personnel	6,876	8,093	8,406	+ 313
Manpower	408	403	500	+ 97
Planning and Program Evaluation	2,573	2,989	3,084	+ 95
Inspector General	11,641	12,536	12,868	+ 332
Management Services	745	724	1,124	+ 400
Administrative Services	14,235	14,388	15,519	+1,131
Controller	14,887	16,498	16,889	+ 391
Office of Human Goals	982	1,043	1,089	+ 46
Total costs	83,865	92,531	97,489	+4,958

SEE 1-9R

Summary of Budget Request

Funding of ~~$97,489,000~~ 96,455,000 is requested to support staff office operations for FY 1982. This request represents an increase of ~~$4,958,000~~ over the FY 1981 level. Approximately $1.3 million of the increase will be used to continue the expansion of the Agency's accounts receivable collection activity. In addition, $1.4 million and 70 work years will be utilized by the Controller's Office to convert an additional 41 DM&S field facilities to a centralized accounting system (CALM). The remainder of the increase is related to additional Central Office space rental and GSA communications costs, within-grade advances, and several automation improvements including the redesign of the payroll accounting system.

Changes from Original 1981 Budget Estimates

	Budget Estimate	Current Estimate	Increase (+) Decrease (-)
Office of Administrator	$ 1,893	$ ~~2,004~~ 1,994	$+ ~~111~~ 101
Information Services	1,560	~~1,707~~ 1,703	+ ~~147~~ 143
General Counsel	18,171	~~21,569~~ 21,481	+~~3,398~~ 3,310
Board of Veterans Appeals	9,883	~~10,577~~ 10,572	+ ~~694~~ 689
Personnel	7,756	~~8,093~~ 7,880	+ ~~337~~ 77
Manpower	384	~~403~~ 202	- ~~19~~ - 182
Planning and Program Evaluation	2,868	~~2,989~~ 2,976	+ ~~121~~ 108
Inspector General	11,697	~~12,536~~ 12,409	+ ~~839~~ 712
Management Services	667	724	+ 57
Administrative Services	14,094	~~14,388~~ 14,386	- ~~294~~ + 292
Controller	15,887	~~16,498~~ 16,480	- ~~611~~ + 593
Office of Human Goals	986	~~1,043~~ 1,025	- ~~57~~ + 39
Total costs/obligations	85,846	~~92,531~~ 91,782	~~+6,685~~ 5,935

The Budget Authority in General Administration has increased approximately ~~$6.7~~ 5.9 million over the amount requested in the FY 1981 Budget request. The increase is a result of the October 1980 GS pay raise ($5,685,000) and the Congressionally directed expansion of the Agency's debt collection activity ($2,053,000). This increase is partially offset by Congressional reduction in SES bonuses ($-65,000); the administrative activities of Information Services and Planning and Program Evaluation ($-54,000); personnel training ($-100,000) and pay absorption ($-312,000). In addition $522,000 was transferred from the Controller's Office to the Office of Data

Management and Telecommunications as part of a realignment of the Agency's ADP system. ~~The following is an analysis by staff office of these adjustments:~~ ADDITIONAL SAVINGS HAVE BEEN REALIZED AS A RESULT OF THE GOVERNMENT-WIDE REDUCTION (-$49,000) IN TRAVEL, REDUCTION OF EQUIPMENT, AND CONSULTING SERVICES, ALONG WITH REDUCTION IN EXECUTIVE TRAINING DUE TO THE ELIMINATION OF THE OFFICE OF MANPOWER PROGRAMS ~~$200,000~~.

Changes from Original 1981 Budget Estimate (cont'd)

Office of Administrator - The $101,000 increase over the FY 1981 Amended Budget is a result of the October 1980 GS pay raise ($155,000). The cost of the pay raise was partially offset by Congressional action ($-13,000) ~~and~~ absorption of the pay raise ($-31,000), AND REDUCTION IN TRAVEL AND EQUIPMENT (-10,000).

Information Service - Up $147,000 resulting from the October 1980 GS pay raise ($+132,000) and internal reorganization with the Office of Personnel ($+59,000). This increase is offset by Congressional action ($-32,000) ~~and~~ pay absorption ($-12,000), LOWER TRAVEL COSTS ($-4,000).

General Counsel - Increases ~~$2,398,000~~ 3,310,000 over the FY 1981 March Budget level. The increase represents the Congressionally authorized expansion of the Agency's debt collection activities (net increase of $1,932,000), in addition to the cost of the GS pay raise ($+1,469,000). THIS INCREASE IS OFFSET BY REDUCTION IN EQUIPMENT AND TRAVEL ($-88,000).

Board of Veterans Appeals - Has increased ~~$694,000~~ 689,000 from the 1981 Budget level. The increase is a result of the October 1980 pay raise ($848,000) and is partially offset by pay absorption ($-150,000) ~~and~~ Congressional action ($-4,000), LOWER TRAVEL COSTS ($-5,000).

Personnel - Up ~~$337,000~~ 74,000. The additional costs are due to the October 1980 GS pay raise ($529,000). This increase is offset by Congressional action ($-108,000); pay absorption ($-25,000); ~~and~~ internal reorganization ($-59,000), GOVERNMENT-WIDE REDUCTION IN TRAVEL AND EQUIPMENT ($-63,000), AND REDUCTION IN EXECUTIVE TRAINING ($-200,000).

Manpower - ~~The increase of $19,000 is due to the cost of the October 1980 pay raise ($31,000). The total cost of the pay raise was reduced, however, due to congressional action ($-3,000) and pay raise absorption ($-9,000).~~ DOWN $184,000. THIS REDUCTION REPRESENTS THE ELIMINATION OF THE OFFICE OF MANPOWER PROGRAMS IN FY 1981.

Planning & Program Evaluation - The increase of $108,000 is a net result of the cost of the GS pay raise ($+216,000); Congressional action ($-30,000); ~~and~~ pay raise absorption ($-65,000); AND EQUIPMENT AND TRAVEL REDUCTIONS (-$13,000).

Inspector General - Increase of ~~$839,000~~ 712,000 over the 1981 Budget level is due to the GS pay raise ($844,000) less pay raise absorption ($-5,000), AND TRAVEL AND EQUIPMENT COSTS (-$127,000).

Management Services - The increase of $57,000 is due to the cost of October 1980 GS pay raise.

Administrative Services - The ~~$294,000~~ 292,000 increase is a result of the GS pay raise (294,000) AND LOWER TRAVEL COSTS (-$2,000) 578,000

Controller - Up ~~$611,000~~. The cost of the GS pay raise ($1,043,000) and Congressionally directed expansion of the Agency's debt collection effort ($+100,000) comprise the increase over the 1981 budget. This increase was offset by the pay raise absorption ($-10,000) ~~and~~ an internal ADP realignment with the Office of Data Management and Telecommunications ($-522,000), and lower travel costs (-18,000).

Human Goals - ~~$97,000~~ 39,000 increase is due to the net cost of the October 1980 GS pay raise (+$57,000) OFFSET BY REDUCTION IN EQUIPMENT AND TRAVEL (-18,000).

OFFICE OF THE ADMINISTRATOR

Introduction

The Administrator of Veterans Affairs is the chief executive officer of the Veterans Administration. He is responsible to the President for the administration of laws relating to benefits provided by law for veterans, their dependents, and their beneficiaries. He is appointed by the President, with the advice and consent of the Senate. The Deputy Administrator, the Associate Deputy Administrator, and the Assistant Deputy Administrator of Veterans Affairs are appointed by the Administrator. These officials and their staffs constitute the Office of the Administrator and provide the executive direction of the VA.

Program Description

The mission of the Administrator of Veterans Affairs, as established in Title 38, U.S.C., is to properly execute and administer all laws administered by the Veterans Administration and for the control, direction, and management of the Veterans Administration. The Administrator is also responsible for continually reviewing veterans' needs and exercising constructive leadership in the development of new programs.

Program Activity

The Administrator is directly responsible for establishing basic policies governing Agency operations; the development and maintenance of its basic organizational structure; maintaining liaison with members and appropriate committees of both houses of Congress and State legislatures in matters involving legislation affecting laws pertaining to veterans' affairs, and the establishment of supplementary regulations; the stimulation and approval of long-range plans; and the development and maintenance of favorable relations with important organizations, groups, and individuals interested in veterans affairs. Responsibility for rendering final decisions on appeals from VA contractors has been delegated to the Contract Appeals Board.

Summary of Budget Estimates

	1980 Actual	1981 Budget Estimate	1981 Current Estimate	1982 Estimate	Increase(+) Decrease(-) 1982 vs 1981
Average Employment	52	52	51	~~50~~ 48	(-) ~~+~~ 3
Costs:					
Personal Services.	$1,788,151	$1,744,000	$1,855,000	1,823,000 ~~$1,871,000~~	~~-$32,000~~ ~~+ $16,000~~
Travel & Trans. of Persons	105,422	66,000	~~57,000~~ ~~66,000~~	~~57,000~~ ~~66,000~~	. . .
Other Services	38,349	59,000	59,000	59,000	. . .
Rents, Comm. & Util.	1,687	...	...	51,000	+ $51,000
Supplies & Materials	9,697	14,000	14,000	14,000	. . .
Equipment	264	10,000	~~10,000~~ 8000	~~10,000~~ 8,000	. . .
Total Costs.	$1,943,570	$1,893,000	~~$2,004,000~~ 1,994,000	$2,071,000 2,013,000	+ ~~$67,000~~ $19,000

Summary of Budget Requests

An average employment level of ~~50~~ 48 with an associated total cost of $~~2,071,000~~ 2,013,000 is requested to support the Office of the Administrator's operation in FY 1982.

Explanation of Increases and Decreases - 1982

	1980 Actual	1981 Estimate	1982 Estimate	Increase (+) Decrease (-) 1982 vs 1981
Average Employment	52	51	~~50~~ 48	(-) ~~1~~ 3
Personal Services	$1,788,151	$1,855,000	$~~1,871,000~~ 1,823,000	~~+ $16,000~~ - $32,000

Estimated requirements cover the Office of the Administrator, Deputy Administrator, Associate Deputy Administrator, Assistant Deputy Administrator, and the Contract Appeals Board.

Travel and Transportation of Persons

Employee Travel. .	$105,130	$ ~~66,000~~ 57,000	$ ~~66,000~~ 57,000	. . .
Local Travel . . .	292	. . .	. . .	. . .
Total.	$105,442	$ ~~66,000~~ 57,000	$ ~~66,000~~ 57,000	. . .

A total estimate of $~~66,000~~ 57,000 is requested for 1982. These funds are required for trips to be made by the Administrator, the Deputy Administrator, the Associate Deputy Administrator, the Assistant Deputy Administrator, members of their staffs, and Chairman and members of the Contract Appeals Board, in attending Hospital and Regional Office dedications, field station visits, hearings before the Board, and national service organization meetings.

Other Services - Contractual

Other Services . .	$ 38,349	$ 59,000	$ 59,000	. . .

Included in this item are funds for consultant fees; seminars, conferences, training, and education costs; and court reporters required for hearings before the Contract Appeals Board. Also included are funds incidental to the representation and reception activities the Administrator is required to perform in maintaining liaison with members of Congress and heads of various organizations interested in veterans affairs.

Rents, Comm. & Util.	$ 1,687	. . .	$ 51,000	+ $51,000

These funds are needed to rent a Correspondence Tracking System for the mail operation in the Office of Administrator.

Supplies & Materials

Office Supplies & Materials. .	$ 9,697	$ 14,000	$ 14,000	. . .

These funds will provide for miscellaneous office supplies and other materials for the Administrator's Office and necessary supplies for the staff meetings, briefings, and top management training programs.

Equipment

Furniture, Furnishings, & Equipment. .	$ 264	$ 9,000	$ 9,000	. . .

This item is for normal replacement of equipment and furnishings which meet the Agency's standard for replacement.

OFFICE OF INFORMATION SERVICES

Introduction

The Office of Information Services is charged with the conduct of the agency public information program. It is responsible directly to the Administrator, and, in a staff capacity, works closely with VA's top management, operating departments and other staff offices to carry out the program.

Program Description

The primary mission of the Office of Information Services is to keep the nation's veterans, their dependents and survivors of deceased veterans - nearly one-half of the country's total population - informed of the benefits provided for them by law, and the proper procedures to follow in applying for benefits. It also keeps the general public informed in regard to VA operations, activities and policy determinations through news releases, radio and television discs, spots and films, other information material, and responses to inquiries from media representatives, Congress, individuals and organizations. It is also charged with counseling and advising the Administrator, his principal assistants, and field station directors concerning public interest in and reactions to VA policies and practices.

Program Activity

Office of Information Services personnel in Central Office and in 13 small field offices will continue to perform the full array of information functions.

In Central Office this includes the preparation of news releases, benefits fact sheets, statistical summaries, radio and television materials, magazine articles, speeches, official statements, etc. Other activity includes answering in-person telephone and correspondence inquiries, and fulfilling requests received from media, Members of Congress, veterans organizations and the general public. And, in addition to advising the Administrator and department and staff office heads concerning public interest and reaction regarding VA policies and programs, the Central Office staff provides supervision for the field offices.

The office also has taken over publication of the VAnguard, the employee-management newsletter formerly published in the Office of Personnel. The two editors transferred with the added function are included in the Personal Services portion of this budget submission.

At the Washington level, the Office of Information Services spearheads information activity for such government-wide programs as Veterans Day and the President's Committee for Employment of the Handicapped.

Office of Information Services field personnel extend the flow of information helpful to veterans to local and regional levels. Staffing each of the 13 field offices are one Information Specialist and a secretary. On an average, a field office serves a four-state area including 19 VA medical centers and regional offices, more than 2,000,000 veterans, nearly 900 daily and weekly papers, 450 radio stations, and some 60 television outlets.

At regional and local levels, the field offices localize and distribute national print and electronic media materials, and originate similar materials adapted to the areas they serve.

Field personnel advise VA regional offices, medical centers and cemetery directors on informational and community relations matters; respond to inquiries and requests from regional media and organizations, and assist VA operating officials with such special occasion functions as facility dedications, open houses, etc. They assist veterans and their dependents through dissemination of information on continuing and new benefits, benefit deadline reminders, and changes in VA procedures and benefit administration. They help operating officials through publishing the need for hospital volunteers, the on-time return of pension income questionnaires, information on check deliveries, the importance of keeping clinic appointments, the need for full identification in correspondence, and in a variety of other ways.

Field personnel assist at the regional and local levels with such programs as Veterans Day, National Employ the Handicapped Week, and National Hospital Week. They also serve on Public Information Committees for Federal Executive Boards in major cities.

HIGHLIGHTS OF FISCAL YEAR 1980

During a year of heightened public awareness of veterans' benefits, the Office of Information Services fulfilled its traditional management support role and met an unprecedented demand from news media and public interest groups for information on veterans and veterans benefits. Among the innovative management steps taken to meet the increased load without an increase in personnel were: (a.) training programs in public information responsibilities and concepts for field station directors and staff to make it possible for them to better deal with news media inquiries and potential issues at the local offices level within current resources; (b.) improved liaison with staff with the objective of increasing their awareness of public interests and reactions to proposed programs and better preparing them for direct dealing with news media on issues surrounding their programs. Typical of the Information Services programs in support of current agency programs were:

1. Acquainting through news media and community action programs, those Vietnam veterans experiencing readjustment problems with information on the counseling help available in the new Vet Centers program.

2. Communicating available information on Agent Orange to relieve any unwarranted anxiety among Vietnam veterans and assure all concerned that VA is working hard to resolve remaining questions.

3. Reaching the maximum number of veterans and their dependents with emphasis on such benefits as VA's new integrated rehabilitation program, improved pension program, expansion of ambulatory care and other programs for aging veterans, expanded drug and alcohol abuse treatment, and existing GI Bill benefits such as education and home loan programs.

PLANS AND TRENDS

Information Services priority programs will be continued in FY 1981 and FY 1982, with modifications being made as necessary. Emphasis on reaching out to inform and help disadvantaged and minority veterans will be continued, as will Information Services' special attention and activity on behalf of service-connected disabled veterans.

SUMMARY OF BUDGET ESTIMATES

	1980 Actual	1981 Budget Estimate	1981 Current Estimate	1982 Estimate	Increase + Decrease - 1982 vs 1981
Average Employment	48	45	46	45	-1
Costs:					
Personal Svcs.	$1,457,785	$1,443,800	$1,590,800	$1,569,000	$-21,800
Tvl. & Trans. of persons	44,100	38,000	34,000	37,000	+3,000
Trans. of things	. . .	...	...	4,000	+4,000
Other services	67,651	71,000	71,000	75,000	+4,000
Supplies & materials	6,666	4,200	4,200	7,000	+2,800
Equipment	1,064	3,000	3,000	5,000	+2,000
Total Costs	1,577,266	1,560,000	1,703,000	1,697,000	-6,000

SUMMARY OF BUDGET REQUEST

Funding of $1,697,000 with average employment of 45 is requested for FY 1982. Although the total budget request is down, there are increased requirements for higher costs for travel, production of radio spot discs, and supplies. Funds are also required for movement of reassigned field station employees and for replacement of fully depreciated recording studio equipment.

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EXPLANATION OF INCREASES AND DECREASES - 1982

	1980 Actual	1981 Current Estimate	1982 Estimate	Increase + Decrease - 1982 vs 1981
Average Employment				
Central Office . . .	22	20	19	-1
Field.	26	26	26	. . .
Total	48	46	45	-1
Personal Services . .	$1,457,785	$1,590,600	$1,569,000	$-21,600

The personal services cost provide funding for employee salary costs, including normal salary increases and fringe benefits paid by the government, such as retirement, life insurance, and health benefits.

OTHER COSTS

Travel and Transportation of Persons				
Employee travel	41,806	32,000	35,000	+3,000
Other travel	2,294	2,000	2,000	. . .
Total	44,100	34,000	37,000	+3,000

These funds provide for visits by personnel in field offices to major VA installations in their multi-state areas to assist and advise medical center and regional office directors in information and community relations matters. A small amount is also required for the Central Office staff. Funds for other travel provide for rental of GSA vehicles with a small amount required for use of taxicabs. The increased requirement is for higher transportation costs.

Transportation of Things				
Shipment of household goods	. . .	. . .	4,000	+4,000

These funds are to provide for the estimated cost of the shipment of household goods and personal effects.

Other Services - Contractual	67,651	71,000	75,000	+4,000

Funds requested are to provide for the production of four nationally recorded radio spot discs containing benefits information of importance to veterans and dependents. These will be distributed to more than 6,000 major radio outlets in the nation. VA will also produce a special release for Veterans Day and a Christmas program for hospitalized veterans. Broadcast time for all the recorded material is contributed in the public interest by radio stations.

Supplies & Materials . . .	6,666	4,200	7,000	+2,800

This amount includes approximately 4,500 for newspapers and periodicals. Also included are funds for recording studio and miscellaneous office supplies.

Equipment - Furniture . .	1,064	3,000	5,000	+2,000

This is for one typewriter meeting replacement use standards and for obsolete recording studio equipment which no longer performs to minimum industry specifications.

GENERAL COUNSEL

Introduction

The General Counsel is legal advisor to the Administrator of Veterans Affairs (and staff) and is Chief Officer of the agency in all matters of law and legislation arising within the statutory framework prescribed by Congress.

Program Description

The Office of General Counsel provides legal services to the Administrator and all agency components in Central Office and the field in all matters of law and legislation arising within the statutory framework prescribed by Congress. This includes services at the Federal as well as State level in legal and legislative areas of involvement. The functions of the Office of General Counsel are essentially staff functions with limited operational involvement in field offices. Its goal is to deliver to all agency components timely and quality legal services with maximum efficiency.

Program Activity

The primary activities of the Office of General Counsel include:

1. Furnishing legal advice to all agency components.
2. Examination for legal correctness of all regulations, rules and directives.
3. Collaborating with Department of Justice on litigation.
4. Initiation of and response to legal actions in state courts arising under the loan guaranty and guardianship programs, as well as debt collection matters.
5. Collections of funds owed the Federal government under the Medical Care Recovery Act, Worker's Compensation, medical insurance, education overpayments, loan guaranty, etc.
6. Maintaining liaison with members and appropriate committees of both Houses of Congress and State legislatures in matters involving legislation affecting laws administered by the Veterans Administration.
7. Supervising and coordinating matters pertaining to proposed State and Federal legislation, executive orders and proclamations.
8. Representing the Government in matters before the VA Contract Appeals Board.

Workloads

	1980 Actual	1981 Current Estimates	1982 Estimates
Court Actions	60,255	80,200	92,300
Legislative Actions	484	600	600
Loan Guaranty Actions	40,806	40,800	40,800
Consultant Actions	457,004	512,000	567,000
Other Legal Actions	38,997	146,400	153,000
MCRA and Other Recoveries	$13,916,645	$14,809,000	$14,809,000
Debt Collection	$4,475,703	$10,700,000	$21,400,000
(Cash)	($49,604)	($3,600,000)	($7,200,000)

NOTE: ABOVE FIGURES BASED ON FY 1980 WORK MEASUREMENT SYSTEMS.

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SUMMARY OF BUDGET ESTIMATES

	FY 1980 Actual	FY 1981 Budget Estimate	FY 1981 Current Estimate	FY 1982 Estimate	Inc/Dec 82 vs 81
Average Employment . . .	581	567	637	638	+1
Costs					
Personal Svcs.	$16,678,212	$16,600,900	$19,125,900	$19,933,800	+$807,900
Tvl & Trans of persons . . .	336,643	394,100	422,000	575,500	+ 153,500
Trans of things	27,856	26,600	45,400	49,800	+ 4,400
Rent Comm & Util.	40,131	188,900	129,100	212,300	+ 83,200
Other services	162,704	165,200	563,400	363,000	- 200,400
Supplies & materials . . .	500,497	459,700	681,600	682,200	+ 600
Equipment	612,297	140,500	318,500	512,100	+ 193,600
Insurance claims & indemnities . .	193,914	195,100	195,100	220,300	+ 25,200
TOTAL COSTS	$18,552,254	$18,171,000	$21,481,000	$22,539,000	+$1,048,000

Funds in the amount of $22,539,000 and an average employment of 638 are required in order to accomplish the duties of the General Counsel. Increased funding of $1,068,000 in FY 1982 is primarily associated with an expanded debt collection effort. The additional staffing requested will allow for collection action on most of the active overpayments under $1,200 that are referred. Non-personnel cost increases will provide travel and equipment necessary to utilize program staffing to full advantage. LITIGABLE PRIVATE DEBT COLLECTION AGENCIES WILL PURSUE ADMINISTRATIVE COLLECTION ACTION. LITIGATION TO RECOVER FUNDS WILL BE PERFORMED BY DISTRICT COUNSELS.

Workloads have steadily increased over the last 5 years at an annual rate of 17%. Staffing, during the same period, increased at an annual rate of less than 5%. These trends are expected to continue. Past productivity gains have been achieved through the use of new automated support systems. Further automation of clerical and informational functions will be necessary, however, to assure maximum effective productivity by the personnel available.

Personnel Requirements

	FY 1980 Actual	FY 1981 Current Estimate	FY 1982 Estimate	Inc/Dec 82 vs 81
Average Employment				
Field	415	466	467	+1
Central Office. . . .	166	171	171	...
TOTAL . . .	581	637	638	+ 1

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	FY 1980 Actual	FY 1981 Current Estimate	FY 1982 Estimate	Inc/Dec 82 vs 81
Personal Services.	$16,678,212	$19,125,900	$19,933,800	+$ 807,900

Payroll costs reflect normal within grade increases and annualization of the 10/5/80 pay raise. Increased funding is necessary due to payroll and benefit costs for added staffing. The number of payments for terminal leave, overtime and SES bonuses will remain at FY 1981 levels but moderate average cost increases are expected for each category.

Travel and Transportation of Persons

	FY 1980 Actual	FY 1981 Current Estimate	FY 1982 Estimate	Inc/Dec 82 vs 81
Employee travel	$298,649	$ 374,900	$ 492,800	+$ 117,900
Other tvl	37,994	47,100	82,700	+ $ 35,600
TOTAL	$336,643	$422,000	$ 575,500	+$153,500

These funds provide for temporary duty travel necessary to provide legal services to 514 VA hospitals, domiciliaries, out-patient clinics and nursing home care installations; 59 VA benefits regional offices; and 140 VA cemeteries. Travel involved is related to procurement contracts, law enforcement actions; for coordination with U.S. attorneys on law enforcement and litigation activities; liaison with state legislatures; legal supervision of national cemeteries; conferences with judges, county prosecutors and sheriffs on security matters at VA installations; appearances in State and Federal courts and before worker's compensation boards in all legal matters; investigation and development of claims filed under the Federal Tort Claims Act; necessary travel of witnesses and employees appearing on behalf of the Government; court appearances in the area of guardianship/commitment; attendance at State bar meetings and professional training sessions; Central Office supervision of field stations; contract hearings and negotiations; and national training conferences. Other travel includes funds for the rental of passenger vehicles from the GSA motor pool, for bus tokens and taxi fares. Also included are costs for transfer and relocation of personnel.

In 1982, increased travel funds will provide for court appearances and hearings associated with the collection of educational overpayments. Full funding of travel for this purpose was not provided in FY 1981 as the program was in the developement stage and emphasis was placed on administrative rather than judgement actions.

We have tried to be restrictive in our travel as a part of the Nation's energy conservation efforts. To the extent feasible, discount fares and other savings have been realized through early scheduling and payment.

	FY 1980 Actual	FY 1981 Current Estimate	FY 1982 Estimate	Inc/Dec 82 vs 81
Transportation of Things.	$ 27,856	$ 45,400	$ 49,800	+$4,400

These funds will provide for necessary expenses involved in the movement of household goods that arise from the official transfer of employees to new duty stations. Employee turnover and the small staffs in most District Counsel offices frequently require the transfer of experienced attorneys. This situation cannot be avoided if we are to fulfill our mission of providing the professional talent necessary to deliver the highest quality legal services to all areas serviced by the Office of the General Counsel.

	FY 1980 Actual	FY 1981 Current Estimate	FY 1982 Estimate	Inc/Dec 82 vs 81
Rents, communications and Utilities .	$ 40,131	$129,100	$ 212,300	+ $83,200

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These expenditures are for telephone and teletype charges incurred in connection with field operations and for rental of office and ADP equipment. In 1981, a document tracking system was installed at Central Office to provide status information, work measurement and operational budgetary/ statistical information. This system will foster quicker response and indexing of requests for opinions, and reduces time consumed in reporting requirements. Full-year costs are reflected in 1982.

Other services. . . .	$162,704	$563,400	$363,000	-$200,400

This includes funds for credit reports, court and legal fees, and appraisals incurred in the extension of legal services to field installations, as well as attendance at legal seminars and other professional training conducted out side the agency. Court filing and legal fees for obtaining judgements under the education overpayments collection program will become the responsibility of the Department of Veterans Benefits in FY 1982, thus an overall reduction in funds requested. In other areas, court actions are increasing rapidly. This is especially true in areas involving due process safeguards such as are required in the mental health area. Also included in this category are funds to provide maintenance contracts on word processing and other equipment purchased in support of debt collection and automation efforts.

Supplies and materials . . .	$500,497	$ 681,600	$622,200	+$ 600

Almost 70% of these expenditures are for the purchase of law books for the law libraries in Central Office and District Counsel offices, such as new or revised legal texts and treatises and for replacement and continuation of existing subscriptions. Also included in this category are office and operating supplies, library shelving and other office furnishings.

Equipment	$612,297	$318,500	$512,100	+$193,600

The requested funding increase for purchase of equipment provides additional word processing and dictating equipment in support of expanded debt collection. Funds are also included for replacement and update of existing word processors, dictating devices, typewriters and photocopiers.

Insurance claims and indemnities . .	$193,914	$195,100	$220,300	+$ 25,200

These funds will provide for payment of claims arising under the Federal Tort Claims Act not in excess of $2,500 and for compromise settlement of litigated claims which accrued prior to January 18, 1967, as approved by the Attorney General of the United States. Due to an alteration of settlement procedures in FY 1981, a small number of claim settlements will be delayed until FY 1982. The amount requested does not include payments of compromise settlements in tort claims where the claim is eligible for payment under 38 USC 351.

BOARD OF VETERANS APPEALS

Introduction

The Board of Veterans Appeals (BVA) is established by 38 U.S.C., Chapter 71. The Board, under the administrative control and supervision of a Chairman, is directly responsible to the Administrator.

Program Description

The Board of Veterans Appeals conducts an agency-wide appellate program. It makes final decisions on all appeals involving benefits administered by the VA.

BVA insures that appellants are afforded due process of law and that they receive all benefits to which they and their dependents are entitled.

Section 4001, Title 38, U.S.C provides that:

(a) "There shall be in the Veterans' Administration a Board of Veterans' Appeals...under the administrative control and supervision of a Chairman directly responsible to the Administrator. The Board shall consist of a Chairman, Vice Chairman, such number (not more than fifty) of associate members as may be found necessary, and such other professional administrative, clerical, and stenographic personnel as are necessary in conducting hearings and considering and disposing of appeals properly before the Board.

(b) "Members of the Board (including the Chairman and Vice Chairman) shall be appointed by the Administrator with the approval of the President."

Program Activity

Each person seeking a veterans benefit files a claim in a VA field office. After adjudication, the field office sends its initial decision and notification about rights of appeal. The claimant has one year in which to appeal this decision. A dissatisfied claimant may file a notice of disagreement with the field office which took the initial action. That office reviews the case in light of the disagreement and, if unable to grant benefits sought, sends the appellant a statement of the case. This statement outlines the issue, evidence of record, laws and regulations involved, and the reason for the decision. Included also is a simple form for filing a substantive appeal.

If the appellant, after reviewing the statement of the case, still disagrees with the field office, he or she may submit a substantive appeal which sets out allegations of error of fact or law related to specific items in the statement of the case. If the matter still cannot be resolved to the satisfaction of the appellant, the field office certifies the case to the Board for de novo review and final decision.

Highlights for Fiscal Year 1980

The Department of Veterans Benefits established an automated system -- VARMS (Veterans Appeals Record Management System) -- to assist the Board in regulating the flow of incoming appeals. Each month the BVA asks DVB to send a number of cases that will keep an optimum rate of flow of appeals through the Board. This results in shorter processing times and fewer inquiries at the BVA. This procedure does not reduce the total number of pending appeals or the overall appeals processing time, it simply distributes them between DVB field stations and the BVA.

Other noteworthy happenings included:

o There was a significant upturn in new appeals filed. Notices of disagreement reached 63,700 -- second only to FY 1978 when 66,464 NOD's were received.

o BVA receipts were held to 34,476 while we reduced the pending appeals at the Board to 7,812.

o The Board completed action on 34,030 appellate decisions. This was down slightly from FY 1979, but it was the third largest number of decisions since passage of PL 87-666.

o Because of the large number of requests for personnel hearings, the BVA increased its schedule to 40 per week. By year's end, the Board held 1,306 hearings in Washington plus 485 before traveling sections. This total -- 1,791 -- far exceeded the previous high of 1,521 held in FY 1979.

o The percentage of appellants selecting one of the Veterans Service Organizations to represent them reached a new high -- more than 85 percent. Just over 2 percent had attorneys or agents as their representatives. The remainder -- less than 13 percent -- chose to handle their appeals without representation.

Workloads

Questions on all benefits handled by the VA are subject to appeal. However, the vast majority of appeals stem from adverse determinations on claims for compensation, pension, and related benefits. There were no significant changes in the breakdown of appeals by categories of benefits or by periods of service of the veterans.

We continue to believe that there are two main factors behind the large number of appeals. First, reflecting widespread trends in our society, claimants are more litigious and are placing added emphasis on due process. Second, older veterans continue to file appeals as they seek compensation or pension benefits to supplement their incomes.

As noted in the highlights for 1980, the BVA, using DVB's automated appeals records system, is able to control the flow of cases to the Board. This permits us to hold an optimum level of cases for the most efficient operations at the BVA. The backlog of pending appeals remains in field stations until the Board calls for them. Here is a tabulation of FY 1980 appeals workload figures and projections for FY 1981 and FY 1982.

	1980	1981 Current Estimate	1982 Estimate
Appeals pending, start of period	23,040	23,486	27,000
(in field stations)	(11,404)	(15,674)	(17,000)
(at the BVA)	(11,636)	(7,812)	(10,000)
Appeals Received	+34,476	+35,514	+35,000
Total Workload	57,516	59,000	62,000
Appeals decided by BVA	-34,030	-32,000	-32,000
Appeals pending, end of period	23,486	27,000	30,000
(in field stations)	(15,674)	(17,000)	(20,000)
(at the BVA)	(7,812)	(10,000)	(10,000)

Actual and projected appeals processing time for the BVA (including time appeals are held in field stations pending callup) are:

	1980	1981	1982
Appeals processing time in days	134	182	219

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Summary of Budget Estimates

	1980 Actual	1981 Budget Estimate	1981 Current Estimate	1982 Estimate	Increase (+) Decrease (-) 1982 vs 1981
Average employment	329	333	333	332	-1
Costs:					
Personal services...	$8,955,176	$9,524,000	$10,218,000	$10,289,000	+71,000
Tvl. and trans of persons	43,707	48,200	43,200	60,200	+ 17,000
Trans of things	6,302	10,000	10,000	17,000	+ 7,000
Rents, comm. & util.	87,415	...	86,000	118,000	+ 32,000
Other services	279,249	245,800	159,800	288,800	+129,000
Supplies & materials	42,244	43,000	43,000	50,000	+ 7,000
Equipment	32,130	12,000	12,000	53,000	+ 41,000
Total costs	$9,446,223	$9,883,000	$10,512,000	$10,876,000	364,000

Summary of Budget Request

For Fiscal Year 1982 the Board of Veterans Appeals requests an average employment level of 332 and $10,876,000 to support its operations. This will permit the Board to REMAIN AT 15 Sections and to produce 32,000 appellate decisions.

Explanation of Increases and Decreases - 1981

	1980 Actual	1981 Current Estimate	1982 Estimate	Increase (+) Decrease (-) 1982 vs 1981
Average employment...	329	333	332	-1
Personal services...	$8,955,176	$10,218,000	$10,289,000	+$ 71,000

Increased personal services costs provide funds for normal within-grade pay increases. ~~In addition~~, They provide funds ~~to support the restoration of the~~ TO RETAIN THE BVA at 15 Board Sections and a balanced complement of professional and administrative support. This will permit the Board to produce 32,000 decisions. ~~and to start to slow down the rate of increase in appeals pending resolution by the BVA and attendant appeals processing time~~. It should be noted that the BVA appeals processing time has risen steadily from 74 days in 1976 to 134 days in 1980 -- with projections to 182 days in 1981 and 217 days in 1982.

Following is a summary of the distribution of BVA employees by organizational element:

Office of the Chairman..	14	15	15	--
Associate Members	48	45	45	--
Attorney Advisers	98	105	105	--
Medical Advisers	1	1	1	--
Administrative Support..	168	167	166	-1
Total	329	333	332	-1

o Office of the Chairman: 38 U.S.C. 4001 provides that "...(a) There shall be in the Veterans Administation a Board of Veterans Appeals ... under the administrative control and supervision of a Chairman directly responsible to the Administrator..." The proposed staffing is required to effectively plan, direct, and coordinate resources and to assure that the Board's mission is accomplished effectively and economically. The staffing level permits formal quality review, by two Deputy Vice Chairmen, of a randomly selected 10 percent sample of completed decisions. This is a major part of the BVA caseload management procedures -- standards for measuring the accuracy, timeliness, and fairness of Board adjudications;

continuous evaluation of decisions through applications of those standards; and using the information from the evluations to identify needed improvements in adjudicative performance.

o Associate Members: 38 U.S.C. 4001 provides that "...The Board shall consist...such number (not more than fifty) of associate members as may be found necessary...." The budget calls for sixteen sections of the Board, each composed of three members. Each section is a quasi-judicial body whose principal functions are to consider all appeals properly before it, to conduct hearings, to evaluate the evidence of record, and to enter decisions in writing on the questions presented on appeal.

38 U.S.C 4001(b) provides that, "Members of the Board (including the Chairman and Vice Chairman) shall be appointed by the Administrator with the approval of the President."

o Attorney Advisers: The Attorney Adviser staff assists the Board Members by performing research and preparing tentative decisions.

o Medical Adviser: This physician serves as principal medical adviser to the Chairman and to the Board Sections and Attorney Advisers on individual case issues.

Administrative support includes maintaining the docket, scheduling hearings, and providing correspondence, mail and record activities, secretarial services, and similar duties. Included also is the task of indexing and redacting (editing to remove identifying information) decisions and making them available to the public under the Freedom of Information Act.

	1980 Actual	1981 Current Estimate	1982 Estimate	Increase (+) Decrease (-) 1982 vs 1981
Tvl. and Trans. of Persons				
Employee travel...	$43,648	$43,000	$60,000	+$17,000
Local travel	59	200	200	---
Total	$43,707	$43,200	$60,200	+$17,000

These funds will be used primarily for visits by 14 travel sections of the Board to 40 field stations to conduct formal hearings. The sharp increase in the number of veterans seeking personal hearings before the Board of Veterans Appeals requires us to lengthen travel section visits at many field stations. Other expenses include travel by the Chairman and his staff to participate in major service organization conventions and other meetings involving veterans' affairs, travel for executive development and other attorney training, and travel for new employees transferred from field stations. Most of the increase is needed to cover the sharply increased costs of air travel and per diem.

Traveling sections of the Board use about 80 percent of our travel funds. This program brings our services closer to the veteran, promotes better understanding by service organization representatives and other case advocates, helps veterans develop their appeals more fully, and enables board members, especially medical members, to observe veterans' disabilities.

Trans. of things...	$6,302	$10,000	$17,000	+$ 7,000

Funds are requested (a) to pay for shipment of household goods and personal effects for employees expected to be transferred to the Board from field offices; and (b) to cover shipping costs of dictated material to the Board's Wilkes-Barre, Pennsylvania, Transcription Section and for return of the transcriptions.

Rents, Comm. and Util.....	$87,415	$86,000	$118,000	+$32,000

The BVA leases a small microprocessor for its Veterans Appeals Control and Locator System (VACOLS). With the closing of the VA's Washington Data Processing

Center at the beginning of FY 1981, the Board has had to take over the statistical and work measurement functions formerly handled by the DPC. Increasing the capacity of the computer to handle the added tasks account for $25,000 of the increase. The remaining $7,000 is needed to cover increased costs of photocopiers used to reproduce BVA decisions and transcripts of formal hearings.

	1980 Actual	1981 Current Estimate	1982 Estimate	Increase (+) Decrease (-) 1982 vs 1981
Other Services	$279,249	$159,800	$288,800	+$129,000

Contractual support to the Board has risen markedly over the past few years. However, there is only a small change between FY 1980 and FY 1982. The dip in FY 1981 was required because of budget constraints. The FY 1982 request covers:

o Support for the Appellate Index and Retrieval System (AIRS)-- $120,000 Included are technical expertise and monitoring service for the system, data processing service, and preparation and publication of quarterly and cumulative annual indices of BVA decisions. The Freedom of Information Act requires these indices. The success of AIRS points to a most beneficial follow-on project. We are going to use the basic indexing and retrieval concepts on research material -- laws, regulations, and reference items -- and reduce them to microform.

o Medical opinions requested under the provisions of Public Law 87-161 (38 U.S.C. 4009 (a) and (b)). When, in the judgement of the Board, expert medical opinion, in addition to that available within the Veterans Administration, is warranted by the medical complexity or controversy involved in an appeal case, the Board is authorized to secure an advisory medical opinion from one or more independent medical experts who are not employees of the Veterans Administration. We estimate an annual requirement of 250 such opinions at a cost of $200 each.

o Heavy demands for personal hearings before the Board limits our ability to prepare transcripts using BVA employees. We include $60,000 -- enough to transcribe 600 hearings at a cost of $100 each.

o Funds to pay for office machine service contracts, tuition for executive development and other training, and registration fees for conferences and meetings.

Supplies and materials	42,244	43,000	50,000	+ 7,000

Estimated in costs for FY 1982 are cassettes for recording decisions and hearings, microform supplies for AIRS, and other office supplies needed for day-to-day operations.

Equipment	32,130	12,000	53,000	+ 41,000

Approximately one-third of the FY 1982 equipment costs will cover normal costs of replacing typewriters and cassette recorders used to produce hearings, transcripts, and appellate decisions.

To improve the quality of the final product -- appellate decisions -- the Board plans to purchase an optical character recognition (OCR) scanner. By using appropriate elements in typewriters used to transcribe decisions, the typed page becomes a word processing input medium for the VACOLS computer. This added capability will speed up the processing of corrections and decision rewrites and will significantly improve the quality and appearance of BVA decisions.

ASSISTANT ADMINISTRATOR FOR PERSONNEL

INTRODUCTION

The Assistant Administrator for Personnel, as Agency Director of Personnel, is directly responsible to the Administrator for the personnel management policies and programs of the Veterans Administration.

Program Description

The Office of Personnel furnishes advice and assistance to the Administrator, top Agency officials, and the operating departments on all personnel management programs.

Program Activity

Passage of the Civil Service Reform Act presented the Office of Personnel with one of its greatest challenges. We have been working to effectively and timely implement and administer Reform Act provisions such as the Senior Executive Service and new systems for performance appraisal and merit pay. In addition, we are working towards implementing EEOC Uniform Guidelines and negotiating and administering five union contracts at the national level. The Office must continue to meet its ongoing requirements to formulate plans, policies, systems, procedures, and instructions for agency-wide personnel management; initiate and implement programs required to obtain, develop, and maintain an effective work force; insure integrity of the career service; provide advice and, as required, on-the-spot assistance to station management on day-to-day field personnel operations. During FY 1980, the Office of Personnel began working towards implementing P.L. 96-330, the VA Health Care Amendments Act. This new law contains major changes affecting pay and other personnel authorities under the Title 38 personnel system for VA health care occupations.

Labor Relations, Employee Relations, Executive Development and Training

Staffing resources are needed to develop agency-wide policies, programs and procedures; negotiate Agency level master agreements for consolidated employee bargaining units; and provide guidance (under the Civil Service Reform Act) to Central Office and field facility management regarding labor-management relations and employee benefits, conduct, discipline, grievances, hearings, appeals, performance appraisal, executive development, training and upward mobility.

Staffing, Evaluation and Systems

The proposed staffing is required for developing Agency-wide policies, programs and procedures; providing guidance to the field stations in recruiting and staffing (including the employment of excepted personnel under Title 38), qualifications standards, identifying and selecting key personnel, evaluating field personnel management programs, and servicing management through ADP personnel systems.

Classification, Pay and Administration

The proposed staffing is required for developing Agency-wide policies, programs, and procedures as well as personnel-related legislative proposals, providing guidance to field stations in position classification (including the classification of key positions), position management, classification appeals, salary and wage administration, hours of duty, development of wage schedules, pay determinations for employees under administrative pay systems, incentive awards and suggestions. The staffing also provides administrative support for resource planning; budget formulation, execution, and control; and top management reporting.

Central Office Personnel Operations

The proposed staffing is required for conducting the full range of personnel management activities for all VA Central Office organizations, the Washington, DC, Veterans Canteen Service Field Office and the Inspector General's Eastern Field Office of Audit.

HIGHLIGHTS - FISCAL YEAR 1980

During FY 1980 over 75,000 employees were hired through extensive recruitment efforts, particularly in the health care fields. There was increased staffing for the key positions of physician and nurse. As of September 30, 1980, VA employed over 11,000 physicians and over 30,000 nurses. These were substantial increases over the preceding year. Special Pay provided by the VA Physicians and Dentists Pay Comparability Act of 1975 has improved our recruiting and retention of well-qualified physicians.

Through new initiatives and reinforcing ongoing approaches, we were able to substantially increase the number of Vietnam era veterans, minorities, and women in our work force. Over 40,000 Vietnam era veterans were on the rolls as of September 30, 1980 - up 5 percent in one year. The 67,500 minority group employees on VA rolls comprised over 29 percent of our total work force, and the 121,000 women employees made up over 52 percent of the total as of November 30, 1980. These figures indicate substantial increases for both groups during the past twelve months. An important development in the area of minority and female employment was the establishment of the VA's reporting system for monitoring the Federal Equal Opportunity Recruitment Program (FEORP).

As part of our employee development effort, over 1,000 executives and managers received training through the phasing-in of additional elements of our Four Tier System. In addition, the VA's first SES Candidate Development Program (SESCDP) was established and the first SESCDP class was selected.

The VA moved into a new era in labor-management relations with the conclusion of bargaining with NAGE on the VA's first nationwide master contract. In addition, an interim agreement was reached with AFGE pending master contract negotiations.

Several actions were taken during FY 1980 to establish the VA's new merit pay system. Draft guidelines were developed. VA employees covered under merit pay were identified. Computer models were developed linking merit pay to performance appraisals. The trial performance appraisal period for GS-15's was concluded. Prototype performance standards for common positions were developed.

We began work (along with other VA elements) on revising and modernizing our personnel reports and payroll (PAID) system.

During the year, specific attention was focused on efforts geared to meet priority personnel management objectives. Efforts were intensified to motivate excellence in employee performance through recognition and counseling. The Administrator's "Hands and Heart" Award was established to honor the outstanding employee at each VA medical facility exemplifying sustained and compassionate direct patient care.

PLANS AND TRENDS

Implementation of P.L. 96-330 will place significantly increased demands on us. This law modifies and makes permanent VA's physician special pay program - including increased special pay entitlements. In addition, we will have primary responsibility for administering a physician comparability program including biennial reports to the President recommending special pay amounts needed to be comparable with private sector and other Federal physician salaries or income levels.

Continued priority is being given to improving the staffing of hospitals with health care professionals. This includes increased nationwide recruitment programs and development of new policies under P.L. 96-330 designed to improve retention of these professionals, e.g., in such areas as advancements and pay. We will increase assistance to field stations to improve the recruitment and utilization of Vietnam era veterans, disabled veterans, and the handicapped.

Our Federal Equal Opportunity Recruitment Program (FEORP) is being developed to recruit minorities and women for occupational categories where underrepresentation exists. This recruitment program to eliminate the underrepresentation of minorities and women is required by the Civil Service Reform Act. The Office of Personnel will play a dominant role in providing guidance and assistance to VA field facilities in the development and implementation of local FEORP plans.

The Uniform Guidelines on Employee Selection Procedures outline technical requirements which employers must follow in order to show that their personnel procedures do not discriminate, are in accord with Title VII of the Civil Rights Act of 1964, and relate to Merit Principles of the Civil Service Reform Act of 1978. These guidelines require extensive race and

ethnic data collection and processing efforts to show if and where adverse impact exists. The guidelines require validation studies of selection procedures to ensure the procedures are valid and do not result in adverse impact. Almost all personnel programs are affected by the guidelines. Compliance is necessary to ensure an advantageous position in court challenges and to ensure that merit principles are adhered to.

The VA's automated personnel reports and payroll system (PAID) became operational in the early 1960's. Personnel functions have taken a new direction with the advent of the Civil Service Reform Act and the expanding EEO programs such as FEORP. Each of these efforts has its own set of statistical data requirements for monitoring program progress and accomplishments. Timely and accurate information about what goes on in the personnel office is essential for this purpose. The redesign of the existing data system will allow us to respond in an efficient and timely manner to the overall management information needs of the Agency.

Continued emphasis will be given to fine-tuning Senior Executive Service (SES) systems, policies and operating procedures. Particular emphasis will be placed on refining SES staffing procedures and improving the performance appraisal/award systems. In addition, our SESCDP will provide intensive development to competitively-selected managers who upon graduation will form the major cadre from which internal VA appointments to SES vacancies will be made in 1982 and early 1983.

The Merit Pay provisions of the Civil Service Reform Act will continue to place additional demands on the Office of Personnel. We will monitor and hone the VA's merit pay policies and procedures as experience is gained during the program's first year of actual operation.

Performance appraisal activity will increase significantly in the months ahead as appraisals of individual performance will be much more directly linked to a wide variety of personnel actions. Complaints, grievances and appeals of appraisals and related actions will increase as promotional opportunities, bonus decisions, within-grade increases, training opportunities, etc., are more closely linked to performance with the full implementation of the VA systems. There will be a continuing need for training and guidance to the field and for VACO evaluation of the overall performance appraisal program.

Labor relations activity will increase. The VA has entered the era of large consolidated bargaining units with the attendant negotiations of master agreements at the national level and supplemental agreements at the local facilities. Changes instituted under civil service reform will escalate the unions recourse to independent "third party" appeals and review of disputes involving grievances, grievance arbitration, unfair labor practice charges and complaints and negotiability issues.

Revision of the incentive awards program continues as final instructions from OPM are received. The thrust of the Civil Service Reform Act -- higher cash awards for top achievers -- has increased interest in and use of incentive awards to motivate employees to top performance. A new procedure will be developed to expedite processing of employee suggestions.

In view of the need to monitor the effective implementation and impact of the Reform Act, we plan to maintain a relatively high rate of onsite personnel management reviews with a streamlined agenda that concentrates on high emphasis programs.

SUMMARY OF BUDGET ESTIMATES

	1980 Actual	1981 Budget Estimate	1981 Current Estimate	1982 Estimate	Inc/Dec 82 vs 81
Average Employment	208	217	215	211 ~~210~~	-4 ~~-5~~
Costs:					
Personal Services	$5,851,862	$6,051,300	$6,488,300	$6,393,000 ~~$6,561,000~~	$-95,300 ~~$+72,700~~
Travel & transportation of persons	402,088	634,000	572,000 ~~634,000~~	821,000 ~~883,000~~	+249,000
Transportation of things	38,205	13,000	30,000	30,000	----
Other services	474,611	1,029,700	709,500 ~~909,500~~	488,800 ~~688,800~~	-220,700 ~~-30,700~~
Supplies & Materials	94,738	16,000	16,000	24,000	+ 8,000
Equipment	14,621	12,000	14,200 ~~15,000~~	18,200 ~~19,200~~	+ 4,000
TOTAL COSTS	$6,876,125	$7,756,000	$8,093,800 ~~7,834,000~~	$8,406,000 ~~$7,775,000~~	$+313,000 ~~$-55,000~~

Summary of Budget Request

Funds in the amount of $~~8,406,000~~ 7,725,000 and an average employment of ~~210~~ 211 are required in order to carry out the mission of the Office of Personnel, including civil service reform, negotiation and administration of national level union contracts, and implementation of EEOC Uniform Guidelines.

Explanation of Increases/DECREASES -- 82 vs 81

	1980 Actual	1981 Current Estimate	1982 Estimate	Inc/Dec 82 vs 81
Average Employment				
Office of Assistant Administrator	6	7	~~7~~ 6	-1
Labor Relations, Employee Relations, Executive Development, and Training	47	48	~~48~~ 47	-1
Staffing, Evaluation & Systems	69	72	~~75~~ 72	~~-3~~ ...
Classification and Pay and Administration	44	44	~~44~~ 43	-1
Central Office Personnel Service	42	44	~~44~~ 43	-1
TOTAL	208	215	~~210~~ 211	~~-5~~ -4
Personal Services	$5,851,862	$6,488,300	$~~6,561,000~~ 6,393,000	$~~+72,700~~ $-95,300

Funds included for payroll costs are required to support staffing needs in this office. ~~The requested increase for FY 1982 is needed to continue to develop and monitor PSORP activities and to modernize the PAID system.~~

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	1980 Actual	1981 Current Estimate	1982 Estimate	Inc/Dec 82 vs 81
Travel and Transportation of Persons				
Employee Travel.....	$77,775	$90,200	$90,200	---
Local Travel.....	4,313	1,800	1,800	---
VA Executive Training.....	320,000	~~$480,000~~ ~~542,000~~	~~727,000~~ ~~703,000~~	+249,000
Total.....	$402,088	~~$634,000~~ 572,000	~~$883,000~~ 821,000	$+249,000

These funds will be used primarily for travel connected with VA's Executive Training Center and other 4 Tier System activities. The Center provides special training for selected groups of directors and assistant directors of our medical centers and regional offices as well as for VA's mid-level managers in such areas as general management and labor-management relations. These funds will also be used for on-site assistance to train station personnel in labor negotiations, arbitration or complaint hearings; conduct on-site personnel management evaluations, training in new position classification and position management systems; conducting wage surveys under prevailing rate systems, including collection and refinement of wage data; on-campus recruitment; and special purpose troubleshooting visits to field stations.

Transportation of Things

Shipment of household goods.....	$38,205	$30,000	$30,000	---

These funds will be used in fiscal year 1982 to cover the estimated cost of shipment of household goods and personal effects of field station employees transferred to Central Office, to fill anticipated vacancies stemming from retirement, and other types of losses.

Other Services-Contractual

Miscellaneous Contractual Services.....	$186,611	$200,000	$200,000	---
VA Executive Training.....	288,000	509,500	288,800	- 220,700
Total.....	$474,611	$709,500	$488,800	$ - 220,700

These funds will be used for such purposes as providing speakers and university classroom training involved in the VA Executive Training Center and other 4-Tier System activities; for recruitment advertisement and exhibits; for participation of Office of Personnel employees in training meetings and seminars; ~~for development of training films~~; for reimbursing other agencies for health services provided to Central Office employees. For identifying, training and developing SES candidates; and selecting, training and evaluating non-managers who have high potential for assumption of future managerial positions. USING FY82 CERTAIN OF THESE PROGRAMS WILL BEGIN "ON LINE" AND OPERATION OF SIST WILL BE ASSUMED BY THIS OFFICE, THUS REDUCING CONTRACTUAL COSTS.

Supplies and Materials....	$94,738	$16,000	$24,000	$+8,000

This amount is required for the purchase of needed special items of office supplies and purchases of training materials for VA-wide use.

Equipment.....	$14,621	~~$15,200~~ 14,200	~~$19,200~~ 18,200	$+4,000

Funds requested will be used for replacing outmoded and worn-out furniture and equipment.

OFFICE OF MANPOWER PROGRAMS PROGRAM PROPOSED FOR ELIMINATION IN 1982

Introduction

The Office of Manpower Programs is responsible for VA-wide manpower policies and programs. It is the Agency level component of a two-tier manpower management system which includes manpower offices in major departments and the Office of Data Management and Telecommunications. The system links primary (programmatic) and secondary (Agency) level processes to meet internal and external demands and requirements for effective and efficient manpower resource management. The Office works closely with the departments and staff offices to encourage efficient and effective planning, budgeting and use of manpower resources by means of techniques such as work measurement, productivity and performance standards, and staffing guidelines.

Program Description

The Office of Manpower Programs: (1) recommends VA-wide manpower policies and monitors their implementation; (2) develops and maintains an agencywide manpower management system; (3) assists and advises departments and staff offices in developing user-oriented manpower programs; (4) evaluates the effectiveness of manpower programs in the departments and staff offices; (5) makes independent staffing recommendations to the Administrator; (6) serves as Agency coordinator on all matters related to productivity measurement and reporting; and (7) reviews proposed and new directives and legislation for manpower management implications.

Program Activity

VA-Wide Manpower Policies

The Office recommends and monitors implementation of VA-wide policies related to manpower planning, work force analysis, manpower utilization, productivity, performance standards and work measurement.

Agencywide Manpower Management System

The Office is responsible for the development and operation of an agencywide manpower management system. This system, utilizing inputs from department and staff office manpower programs, integrates staff hour accounting, personnel costs, workload data, and performance standards in order to produce information that can be used by top management to determine the most effective and efficient allocation of personnel resources.

User-Oriented Manpower Programs

The Office advises and assists departments and staff offices in developing manpower programs which can assist in the determination of staffing levels and in the effective management of personnel resources. These user-oriented programs comprise the primary programmatic level of the two-tier manpower management concept. This approach ensures that department and staff office manpower programs are tailored to their specific needs and are also compatible with the needs of an Agency level manpower management system.

Evaluation of Manpower Programs

The Office evaluates user-oriented manpower programs in the departments and staff offices to ensure that concepts, procedures and data are valid and that these programs can support effective manpower utilization and productivity objectives. After coordination with the department or staff office, appropriate recommendations for improvement are made to the Administrator.

Staffing Recommendations

The Office conducts Agency level reviews of staffing requirements contained in department and staff office budget requests and operating plans. The reviews, which are based on statistical analyses, relate workload estimates and program impacts to staffing requests. On the basis of these reviews, independent staffing recommendations are made to the Administrator, providing an objective tool for determining manpower levels among competing budget proposals.

Agencywide Productivity Management

The Office develops and recommends to the Administrator policies, procedures, and methodologies to increase productivity in the VA. The Office is also responsible for coordination of department and staff office input for the Federal Productivity Measurement Project and guidance and assistance on the productivity aspects of personnel performance appraisal measurement.

Review of Proposed and New Directives and Legislation

The Office reviews and assesses proposed and new directives, legislation, organizational changes and VA and non-VA reports for manpower implications. Appropriate action is taken to respond to these initiatives.

Highlights for Fiscal Year 1980

- Participated in the VA's internal budget formulation process for FY 1982 by conducting independent, cross-cutting analyses of workload and staffing data for all manpower requests. Independent recommendations to the Administrator for department and staff office levels were based on these analyses. The Office of Manpower Programs works closely with the Budget Service (Office of the Controller) to ensure that staffing and funding requests are compatible and that each is supported by anticipated workloads.

- Maintained an ongoing VA-wide Full Time Equivalent Employment (FTEE) ceiling control system. Procedures in this system include making recommendations to the Administrator for the official allocation of FTEE ceilings to departments and staff offices and review of employment plans to ensure responsible use of FTEE throughout the fiscal year. In an effort to share knowledge and experiences among Federal agencies, Office of Manpower Programs staff members have participated in a variety of professional programs and panels designed to acquaint mid- and upper-level managers with the FTEE ceiling concept and its implementation in the VA.

- Established management and reporting procedures, in cooperation with the Office of the Controller, in response to the Presidential Hiring Limitation of 1980. These procedures were the basis for an agencywide system to monitor available hiring authority and to ensure that each department and staff office properly implemented and met the intent of the hiring limitation.

- Completed development of a prototype for the Manpower Tracking System. The system was brought on-line and made available to the Department of Medicine and Surgery. The Manpower Tracking System is designed to track medical care staffing and workload at each health care facility, thus providing a tool for analysis and enabling management to make meaningful comparisons of manpower levels among these facilities.

- Participated in a study conducted by the Department of Memorial Affairs to revise their workload indicators to provide a more accurate picture of work being accomplished. The new indicators have been integrated into the department's FY 1982 budget submission and into the VA's Quarterly Review and Analysis program. The indicators were also approved by the Office of Personnel Management and the Bureau of Labor Statistics for inclusion in the Federal Productivity Measurement Project.

- Established a system for reporting productivity accomplishments in the VA Quarterly Review and Analysis (QRA) process. The Department of Memorial Affairs, the Department of Veterans Benefits and the Bureau of Veterans Appeals are currently reporting productivity status during QRA. The QRA briefing requires that managers make assessments of resource use and accomplishments on a quarterly basis. As part of the QRA, productivity is monitored on a continuing basis throughout the year.

Plans and Trends

- To further the concept of two-tier manpower management in the VA. A two-tier arrangement recognizes that the manpower management function, like the budgeting and planning functions, is most effective when performed at the program or department level as well as at the Agency level. A two-tier arrangement in the VA for budgeting, planning and manpower has proven to be an effective means of accomplishing primary and secondary level objectives, and of meeting internal as well as external demands for sound resource management.

- To continue to play a role in manpower matters in the Agency budget process. Efforts will continue to integrate the data bases developed for productivity and work measurement functions with those needed for projecting staffing levels and supporting budget requests. This will promote consistency and continuity in manpower operations and budgeting.

- To continue to develop, with the Department of Medicine and Surgery, the Manpower Tracking System as a tool for resource allocation based on staffing and workload data. The first phase of the Manpower Tracking System, development of a prototype system, was completed during FY 1980. The second phase, identification of workload indicators for medical center cost centers, is currently in progress. The final phase, development of reporting systems, will follow in FY 1982.

Summary of Budget Estimates

	FY 1980 Actual	FY 1981 Budget Estimate	FY 1981 Current Estimate	FY 1982 Estimate	Inc./Dec. '82 vs. '81
Average Employment	10	10	~~10~~ 5	~~10~~	~~...~~ -5
Costs:					
Personal Services	$334,093	$351,000	$ 186,000	~~$403,000~~	~~+ 33,000~~ - 186,000
Travel & Transportation of Persons	9,460	12,000	6,000	~~13,000~~	~~+ 1,000~~ - 6,000
Rents, Comm. & Utilities	7,246	6,000	4,000	~~8,000~~	~~+ 2,000~~ - 4,000
Other Services	56,386	13,000	5,000	~~74,000~~	~~+ 62,000~~ - 5,000
Supplies & Materials	1,271	1,000	500	~~1,000~~	~~- 500~~
Equipment	...	1,000	500	~~1,000~~	~~- 500~~
Total Costs	$408,456	$384,000	~~$403,000~~ 202,000	~~$500,000~~	~~$ 97,000~~ - 202,000

Summary of Budget Request

~~THE OFFICE OF MANPOWER PROGRAMS WILL BE ABOLISHED DURING FY 1981. ed to support the Office of Manpower Programs in FY 1982.~~

Explanation of Increases and Decreases - 1982

	FY 1980 Actual	FY 1981 Current Estimate	FY 1982 Estimate	Inc./Dec. '82 vs. '81
Average Employment	10	~~10~~ 5	~~10~~ ...	~~...~~ -5
Personal Services	$334,093	~~$370,000~~ $ 186,000	~~$403,000~~ ...	~~A$33,000~~ - 186,000

~~Average employment will remain at 10 FTEE during FY 1981 and FY 1982. The $33,000 additional funding in Personal Services is due to normal salary increases.~~

Travel and Transportation of Persons.....	$ 9,460	$ ~~12,000~~ 6,000	~~6 13,000~~	~~AG 1,000~~ -6,000

~~Travel funds are required to visit Veterans Administration field facilities in connection with studies of manpower utilization and productivity measurement. It is anticipated that field trips will be required as the Manpower Tracking System is further developed. A small portion of the travel funds will be used for local travel.~~

Rents, Communications and Utilities	$ 7,246	$ ~~8,000~~ 4,000	~~6 8,000~~	~~$.....~~ -4,000

~~The funds are required for rental of word processing equipment and a terminal/printer for the Manpower Tracking System.~~

	FY 1980 Actual	FY 1981 Current Estmate	FY 1982 Estimate	Inc./Dec. '82 vs. '81
Other Services	$56,386	~~$11,000~~ 5,000	~~674,000~~	~~-5000~~ ~~+663,000~~

~~Development of the Manpower Tracking System is a joint Office of Manpower Programs and Department of Medicine and Surgery (DM&S) project. In FY 1982, major responsibilities for development and operation of the system will be assumed by the DM&S Medical Manpower Analysis Staff. The $63,000 increase will allow the Office of Manpower Programs to continue its participation in the project with primary interest in Agency level applications.~~

~~The balance of $11,000 is requested to support management and technical training, executive development, maintenance and repair of furniture and equipment, and similar requirements.~~

Supplies & Materials	$ 1,271	~~$ 1,000~~ 500	~~$ 1,000~~ ...	$ -500

~~Funds are requested for miscellaneous non-stock administrative supplies and materials.~~

Equipment	$ ...	~~$ 1,000~~ 500	~~$ 1,000~~ ...	$ -500

~~These funds are requested for new equipment and for replacement of items which meet replacement standards.~~

OFFICE OF PLANNING AND PROGRAM EVALUATION

INTRODUCTION

The Office of Planning and Program Evaluation is responsible for the management areas of planning, program analysis and evaluation, and acquisition oversight.

PROGRAM DESCRIPTION

This office conducts long range and emergency planning, independent analysis of all VA programs including their impact on veterans, analysis of policies and procedures to identify management improvements and alternatives, and oversight of ADP acquisitions.

PROGRAM ACTIVITY

The major activities of the Office of Planning and Program Evaluation include:

1. Oversight and coordination of the VA planning process resulting in the annual completion of the Agency plan and emergency plans.

2. Act as Agency Acquisition Executive and Executive Secretary to the ADP Review Group and provide primary oversight responsibility for compliance with appropriate systems acquisition policies and practices.

3. Conduct cost-benefit studies for major acquisitions in the VA and provide policy guidance and review of VA cost-benefit analysis.

4. Conduct selected management improvement and policy studies concerning VA operations and organization in support of decisions by Agency management.

5. Conduct evaluations of all VA Title 38 programs for their accomplishment of legislative intent concerning impact, effectiveness and efficiency. These evaluations are mandated by 38 USC 219.

6. Develop impact information on all VA programs and ensure Veteran input into proposed policies and actions that will affect them.

HIGHLIGHTS

- Development of the Agency Plan for FY 1981-87.
- Integration of the VA Plan into the FY 1982 budget process.
- Organizational analysis leading to a reorganization of Agency ADP resources.
- Prioritization of Agency ADP initiatives for the FY 1982 budget process.
- Development of improved Agency procedures for acquisition and management of ADP resources.

Conducted the following studies:

- Study of Former POW's. (PL 95-479)
- Management Review of VA Agent Orange activities.
- Cost-Benefit Study - DM&S Minicomputers for Automated Pharmacy.
- Development of an Inventory System of Audiovisual Capabilities in VA Facilities.
- Post installation evaluation of the DM&S Recreation Service Reorganization.
- Special Study of Spinal Cord Injury Centers.
- Harris Survey, "Myths and Realities: A Study of Attitudes Toward Vietnam Era Veterans."

- Cost-Benefit Analysis - AHIS (Automated Hospital Information System).
- Cost Effectiveness Study of UPS vs. USPS for Transporting Bronze Markers.
- Coordination of Former POW's Affairs.
- Organizational Analysis of VA Supply Operations.
- Cost Effectiveness Analysis of Mortgage Remittance Processing.
- Agency Use of the United Parcel Service vs. the United States Postal Service.
- Report on VAMC Long Beach's Outpatient Operation.

Completed the following Program Evaluations (38 U.S.C. 219):

- Mortgage Credit Assistance - Home
- National Cemeteries
- Headstones and Markers
- Memorial Markers and Memorial Plots
- Dialysis
- Alcohol and Drug Dependence Treatment
- Prosthetics

SUMMARY OF BUDGET ESTIMATES

	1980 Actual	1981 Budget Estimate	1981 Current Estimate	1982 Estimate	Inc/Dec '82 vs '81
Average Employment.....	72	70	70	~~70~~ 68	--
Costs:					
Personal Services	$2,270,655	$2,430,600	$2,541,000	~~$2,631,000~~ 2,585,000	~~+90,000~~ +42,000
Travel and Transportation	85,651	114,400	~~115,000~~ 108,000	~~120,000~~ 108,000	+5,000
Transportation of Things	15,448	10,000	15,000	15,000	--
Rents, Communications and Utilities	49,272	25,000	25,000	25,000	--
Other Services	100,994	239,000	255,000	255,000	--
Supplies and Materials	11,317	30,000	18,000	18,000	--
Equipment	39,226	19,000	~~20,000~~ 18,000	~~20,000~~ 18,000	--
Total Costs.....	2,572,563	2,868,000	~~2,967,000~~ 2,797,000	~~3,084,000~~ 3,023,000	~~+95,000~~ +47,000

Summary of Budget Requests

Funds in the amount of $~~3,084,000~~ 3,023,000 and an average employment of ~~70~~ 68 are required to support the Office of Planning and Program Evaluation's operation. The FY 1982 requirement reflects an increase of $~~95,000~~ 47,000 over the FY 1981 current estimate.

Explanation of Increases and Decreases - 1982

	1980 Actual	1981 Current Estimate	1982 Estimate	Inc/Dec '82 vs '81
Personal Services	2,270,655	2,541,000	~~2,631,000~~ 2,585,000	~~+90,000~~ +42,000

The $~~90,000~~ 42,000 increase provides for normal salary increases and the full year cost of the October 1980 pay raise.

	1980 Actual	1981 Current Estimate	1982 Estimate	Inc/Dec '82 vs '81
Travel and Transportation	$ 85,651	~~$115,000~~ 104,000	~~$120,000~~ 109,000	$+5,000

The requested funding level is directly related to an anticipated program workload.

Transportation of Things	15,448	15,000	15,000	--

Funding will continue to be necessary to pay for the transportation of household goods for new employees coming from field activities.

Rents, Communications and Utilities ...	49,272	25,000	25,000	--

Costs have been significantly reduced from FY 1980 levels due to purchases of leased equipment.

Other Services.....	100,994	255,000	255,000	--

Funding is required for contractual services such as rental of a computer terminal, survey costs for program evaluations (P.L. 93-508) and other studies. The increase in FY 1981 and 1982 is related to anticipated increases in the number of surveys.

Supplies and Materials	11,317	18,000	18,000	--

These estimates reflect non-stock administrative supplies and special supply items.

Equipment	39,226	~~20,000~~ 18,000	~~20,000~~ 18,000	--

The FY 1982 request is (APPROXIMATELY) one-half the FY 1980 actual cost and represents the one-time purchase of leased equipment in FY 1980.

OFFICE OF THE INSPECTOR GENERAL

Introduction

The Inspector General Act of 1978 requires the Office of Inspector General in the Veterans Administration, to:

1. Conduct and supervise audits and investigations.

2. Provide leadership, coordination and recommendations to promote economy, efficiency, and effectiveness and to prevent and detect fraud and abuse.

3. Keep the Administrator and Congress fully and currently informed about problems and deficiencies and the necessity for and progress of corrective action.

Program Description

Five key objectives have been established by the Inspector General. A description of these objectives and the percentage of professional resources applied during FY 1980 to each objective are set forth below:

	Percentage of Effort
Objective 1: Vulnerability Assessments	
To analyze major existing systems and programs, based on the results of investigations, audits and other studies, to determine primary weaknesses permitting fraud and abuse, or impacting on efficiency, economy or effectiveness, and to obtain preventive measures and improvement.	2
Objective 2: Preinstallation Reviews	4
To review new legislation and regulations and major new systems, projects and organizational units to identify and obtain correction of control weaknesses and other problems which may affect future integrity, efficiency, economy or effectiveness.	
Objective 3: Special Initiatives on Fraud, Waste and Mismanagement	19
To initiate timely and effective special audits and investigations to actively seek out fraud, abuse and waste and other serious problems.	
Objective 4: Cyclical Audits	59
To maintain recurring oversight of programs, functions, activities and organizations with sufficient frequency to encourage quality management and operations and to assure that out-of-line situations are timely identified and corrected.	
Objective 5: Reactive Investigations	16
To investigate complaints of serious administrative and criminal irregularities and to assure that corrective actions are taken.	

In addition to these activities, staff resources were applied to carry out the following other activities:

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Liaison with GAO and FBI

Personnel and document security programs

Employee hotline

Program Activity

Consistent with the Inspector General Act of 1978, the organizational structure provides for two separate sub-units -- the Office of Audit and the Office of Investigations. Each is headed by an Assistant Inspector General. Routine coordination between these offices is carried out directly between these two Assistants and their staffs. Coordination of special initiatives or unique situations is accomplished under the leadership of the Inspector General or his Deputy.

Both the Offices of Audit and Investigations have undergone organizational changes. The Office of Investigations has decentralized and established permanent field investigative offices in Atlanta, Chicago, Los Angeles, New York, Washington, D.C., and a suboffice in San Juan, Puerto Rico. The changes effected in the Office of Audit were in the headquarters structure found necessary to (i) strengthen planning functions along VA programmatic lines, (ii) simplify the audit report review and clearance process, and (iii) enhance operational and quality control activities. We expect benefits in the timeliness, quality and impact of audit and investigative activities as a result of these changes.

A third organizational unit was established in August 1978. This unit is called the Risk Analysis Staff which is responsible for:

1. Developing composite analyses of the vulnerability of VA programs, functions and activities to fraud, waste and mismanagement.

2. Reviewing new legislation and regulations and making recommendations for changes which will affect the future resulting programs and activities.

3. Operating a "hotline" to receive employee complaints of fraud, waste and mismanagement, and handling complaint mail. Heretofore, complaint mail referred to us was handled by the Office of Investigations, but recently the Inspector General's Complaint Center was established responsible for both "hotline" calls and complaint mail. This center is under the jurisdiction of the Risk Analysis Staff.

HIGHLIGHTS - FY 1980

The Office of Inspector General has statutory responsibility to promote the economy, efficiency and effectiveness of VA programs and to prevent and detect fraud and abuse in such programs and operations. During FY 80 the Office conducted a number of activities to accomplish this statutory responsibility.

During FY 80, vulnerability assessments were made of several existing VA systems and programs to determine primary weaknesses permitting fraud, waste, or abuse or impacting on the efficiency and effectiveness. Vulnerability assessments were completed of drug losses and accountability, time accounting for part-time physicians, and pension accuracy. Examples of the results of vulnerability assessments are: (i) the determination that drug stockage and distribution systems within medical centers were vulnerable to $17.4 million in losses due to theft, record keeping error and other causes; and (ii) the accounting for work hours of part-time physicians was ineffective and has permitted abuse. In the case of the drug problem, interim measures are to be adopted to strengthen controls, and resources will be sought to obtain superior systems, common in the private sector, to provide better accountability and reduce the potential for medication error. A new time keeping system has been installed for part-time physicians.

About 140 legislative and regulatory proposals were reviewed to identify and seek improvements of potential control weaknesses and other problems which might affect the future integrity, efficiency, economy or effectiveness of programs and systems. Comments were made on 37 of these proposals. For essentially similar preventive purposes, eight preinstallation reviews were conducted of major new ADP systems, including TARGET and selected aspects of the Health Care Information System.

Special initiatives, consisting of 33 audits and 129 investigations, were undertaken to identify fraud, waste and mismanagement in VA programs. These special initiatives covered such areas as overpayments and accounts receivable, eligibility for non-service connected treatment, multiple education benefits, selected aspects of procurement, patient abuse, and loan guaranty fraud by beneficiaries, brokers and lenders.

Cyclical audits were conducted of 111 VA facilities, programs and activities. Such audits, originally planned for a three year cycle, slipped to a five year frequency because of other workload priorities. The purpose of these audits is to maintain recurring oversight of VA facilities, programs, and activities with sufficient frequency to encourage quality management and operations and to assure that out-of-line situations are timely identified and corrected. These audits produced estimated savings, primarily in terms of cost avoidance, of $15 million. Audits were also conducted of 221 contractors and grantees, resulting in recommended cost adjustments of $6.5 million and identifying an additional $9.9 million of proposed costs that were not adequately supported.

Sixty-seven investigations were made of complaints of serious criminal or administrative irregularities. The employee hotline received and processed 490 complaints.

WORKLOADS

	1980 Actual	1981 Current Estimate	1982 Estimate	Increase + Decrease - 81 vs. 82
Vulnerability Assessments.....	8	10	10	...
Preinstallation Reviews:				
Systems.....	8	5	5	...
Legislation.....	67	67	67	...
Regulations.....	73	73	73	...
Special Initiatives, etc.				
Audits.....	33	24	24	...
Investigations.....	129	18*	18	...
Hot Line calls	490	500	500	...
Cyclical Audits:				
Organizational Units & Systems.	111	111	~~115~~ 107**	~~+4~~ -4
Contractors/Mandated.....				
Contract Audits.....	221	250	250	...
Reactive Investigations.....	67	155***	~~155~~ 140	-15
All Other:				
GAO Reports.....	150	150	150	...
GAO Contacts.....	1,070	1,070	1,070	...
Complaint Mail.....	778	800	800	...
Security Cases.....	6,588	1,200****	1,200	
Laboratory Cases.....	273	275	275	...
FBI Arrest Records.....	339	340	340	...
FBI Reports.....	534	535	535	...
Field Station Investigations Reports Reviewed.....	634	635	635	...
Missing Vets Cases Cir.....	64	65	65	...

* During FY 80, each individual loan guaranty file which was investigated was counted as a separate investigation. In FY 81 each proactive project is considered as one investigation even though it may involve as many as several dozen case files.

** ~~During FY 82, the staff hours provided by four additional auditors will allow completing eight computer systems audits in accordance with Office of Management and Budget Circular A-71.~~

*** Since additional investigators were hired and trained in FY 80, the number of reactive investigations will increase to approximately 155 during FY 81.

**** In FY 80, the security clearance workload was increased significantly in a one time effort to clear employees working in sensitive ADP positions, as required by OMB Circular A-71. This will not occur in FYs 81 or 82.

Summary of Budget Estimates

	1980 Actual	1981 Budget Estimate	1981 Current Estimate	1982 Estimate	Inc/Dec 82 vs. 81
Average Employment..	330	356	356	349 ~~360~~	-7 ~~+4~~
Costs:					
Personal services...	$9,551,259	$9,704,700	$10,543,700	$10,209,000 ~~$10,473,000~~	-$334,700 ~~-$70,700~~
Travel and transp. of persons...	1,130,177	1,305,000	1,169,000 ~~1,295,000~~	1,456,500 ~~1,582,500~~	+287,500
Transp. of things....	128,690	46,000	28,000	19,000	-9,000
Rents, comm. & Utilities..	144,876	99,000	183,000	228,500	+45,500
Other svcs....	512,668	431,700	440,200	500,000	59,800
Supplies & materials....	82,474	88,400	42,100	50,000	+7,900
Equipment.....	90,609	22,200	3,000 ~~4,000~~	14,000 ~~15,000~~	+11,000
Total costs..	$11,640,753	11,697,000	12,409,000 ~~12,536,000~~	12,477,000 ~~$12,868,000~~	+ 68,000 ~~+332,000~~

Summary of Budget Request

An average employment of 349 ~~360~~ and $12,477,000 ~~$12,868,000~~ is requested to support the Office of the Inspector General in FY 82. ~~With an increase of only 4 FTE in FY 82~~ We have projected a substantial reduction in translocation costs over FY 81. This CONTRIBUTES TO ~~results~~ in a decrease in payroll costs in FY 82. Non-payroll increases are due to increased travel costs and to normal increases in the price of contractual services, rental costs, and supplies and equipment.

Explanation of Increases and Decreases - 1982

	1980 Actual	1981 Current Estimate	1982 Estimate	Increase + Decrease - 82 vs. 81
Average Employment:				
Office of Inspector General..	5	7	7	...
Office of Audit.....	259	271	~~275~~ 267	~~+4~~ -4
Office of Investigations.....	58	70	~~70~~ 67	~~—~~ -3
Risk Analysis Staff.....	8	8	8	...
Total.....	330	356	349 ~~360~~	-7 ~~+4~~
Personal Services.....	$9,551,259	$10,543,700	10,209,000 ~~$10,473,000~~	-334,700 ~~-$70,700~~

~~Although there is an average employment increase in FY 82,~~ We anticipate a substantial reduction in translocation costs ~~resulting in~~ a net decrease in payroll costs.

Travel and Transportation of Persons..... WHICH CONTRIBUTES TO				
Employee Travel.....	$1,082,553	1,136,000 ~~$1,261,000~~	1,411,300 ~~$1,537,300~~	275,300 ~~+276,300~~
All Other.....	47,624	34,000	45,200	+ 11,200
Total.....	$1,130,177	~~1,295,000~~ 1,169,000	1,456,500 ~~1,582,500~~	+ 287,000

Funds are required for agency-wide travel for investigations; management contract, and ADP audits; special studies and reviews to be conducted at field stations. While we have geographically dispersed our audit and investigative staffs to four and five locations, respectively, extensive travel is required to conduct necessary audits and investigations at VA facilities. Sufficient travel money is not available in the FY 81 budget to carry out a program directed at a cross-section of VA facilities. More extensive efforts will be directed at those facilities located in close proximity to our field offices. The proposed travel funds increase in FY 82 will restore a more balanced audit and investigative program.

	1980 Actual	1981 Current Estimate	1982 Estimate	Increase + Decrease - 82 vs. 81
Transportation of things.....	$128,690	$28,000	$19,000	- 9,000

Provides for the estimated cost of shipment of household goods and personal effects resulting from the official transfer of employees to new duty stations. The decrease is related to the reduction in translocation costs.

Rents, Comm. & Utilities.....	$144,876	$183,000	$228,500	+45,500

Funds are required for the rental of office space and office equipment.

Other Services....	$512,668	$440,200	$500,000	+ 59,800

To provide funds primarily for contract services, such as audit services obtained from the Defense Contract Audit Agency and HHS Audit Agency. Also, to provide reimbursement to Office of Personnel Management for full field investigations conducted under Executive Order 10450 (currently $1,200 each) and maintenance and repair of furniture and equipment. Funds are also required to provide fees for attendance of employees at executive development seminars and other training provided outside the agency.

Supplies & Materials..	$82,474	$42,100	$50,000	+ $7,900

Funds are required for miscellaneous non-stock administrative supplies and materials. The increase relates to the employment increases in FY 81 and FY 82.

Equipment..	$90,609	~~$4,000~~ 3,222	~~$15,000~~ 14,116	+ 11,000

For normal replacement of equipment and furniture and purchase of new equipment and furniture for additional personnel.

OFFICE OF MANAGEMENT SERVICES

Introduction

The Office of Management Services is responsible for formulating and recommending to the Administrator general policies and plans for the VA-wide administration of the VA's Records Management Programs and advising and assisting the departments and top staff offices in connection therewith. Serves as principal liaison with other Federal agencies (OMB, U.S. Postal Service, DoD, Federal Register, National Archives and Records Service, and others) regarding the exchange of records and information, as well as other interagency matters.

Program Description

Management Services establishes and coordinates VA policies and plans for the management of such programs and activities as Correspondence, Forms, Form Letters, Administrative Issues (i.e., manuals, regulations and other types of directives), Files, Mail, Office Copying, Word Processing, Records (creation, maintenance and disposition), Micrographics, Vital Records, and Employee and Beneficiary Travel. Prepares, reviews, and processes Federal Register documents and maintains liaison with OMB in implementing reporting burden reduction policies and the objectives of Executive Order 12044, "Improving Government Regulations," and PL 96-511, "Paperwork Reduction Act of 1980."

Program Activity

Four organizational elements report to the Director -- Records Management Division, Administrative Issues Management Division, Forms and Correspondence Management Division, and the Mail and Travel Policy Staff. The primary focus of these elements is the implementation of particular laws and regulations pertaining to employee and beneficiary travel, efficient and economical paperwork and records management, the Freedom of Information Act (5 U.S.C. 552), the Privacy Act (5 U.S.C. 5a), liaison with the military services, and so on.

Records Management Division

This Division develops and recommends agencywide policy and procedures for the efficient and economical management of records of the VA. It provides controls over the creation, maintenance and use of records in the conduct of current business and applies authorities to retire to storage or destroy those records which have served their purpose. Establishes policies and procedures for the protection of vital records which are required to carry out functions of the VA during and after a period of emergency. This responsibility includes operation of the VA Vital Records Depository, Neosho, Missouri. In addition, the Division is responsible for formulating agencywide policy for the use of micrographics and word processing throughout the Agency. Technical advice and assistance is provided to all operating levels in the performance of all records related functions. The staff also serves as principal liaison with the DoD, GSA, and other Governmental agencies to develop and coordinate policies and procedures relating to the loan and exchange of information and records of the agencies concerned. As part of this responsibility, one staff member is assigned as the VA liaison representative at the National Personnel Records Center and the Reserve Components Personnel and Administration Center, both located in St. Louis, Missouri.

During FY '80 the activities of the Records Management Division included: (1) issuing a complete revision of the VA policy on micrographics; (2) development of a proposed new VA policy on word processing, and monitoring the acquisition of word processing equipment in Central Office by administering a moratorium designed to assure justification and compatibility of such equipment; (3) coordination with NARS and GAO on 21 requests for disposition of records, of which 14 were approved, including the disposal authority for claims folders of deceased veterans which also required coordination with military services and other Federal agencies; (4) continuing to provide assistance to DM&S in their study of the VA medical records program and coordinating with NARS, as requested, appropriate status reports concerning the medical records moratorium; (5) development of a formal memorandum of understanding between VA and the Air Force Finance and Accounting Center, Denver, Colorado, which established a pilot project to automate the exchange of retired pay data; (6) providing assistance and policy guidance to the Office of the Inspector General in developing a matching program which involves the automated exchange of information between VA and the Office of Personnel Management to identify Federal employees who owe the VA money from benefits overpaid or provided erroneously, or who have defaulted on education or home loans; (7) the preparation of the annual agency records report to NARS and the annual Privacy Act and Freedom of Information Act reports to OMB and the Congress as appropriate.

Administrative Issues Management Division

This Division is responsible for formulating and recommending plans, policies, procedures and guidelines for a comprehensive program of administrative issues management in the agency (i.e., directives such as manuals, regulations, and other guidance material). This includes review of all numbered issues proposed for approval by the Administrator or one of the Deputies, and preparation of accompanying Federal Register documents for all VA Regulations and VA Procurement Regulations. Technical advice and assistance is furnished all elements of VA.

During FY '80, the Division continued monitoring agency progress in complying with E.O. 12044, Improving Government Regulations. It also studied the problems and expenses related to processing VA Regulations in two formats and received the Administrator's approval to convert all regulations to one format. A preliminary study has been initiated to determine the feasibility of processing proposed and final regulations through automated data processing. There has been much concern in recent years regarding the timeliness in processing regulations. A brief overview of the process indicates that administrative and clerical time can be saved through automation and that employee productivity can be increased.

In FY '80 the Division also reviewed and forwarded to the Administrator for approval 543 issues of various types (i.e., manuals, circulars, interim issues, VA Regulations, etc.). Of this total, 223 were Federal Register documents.

Forms and Correspondence Management Division

This Division formulates and recommends plans, policies, procedures and guidelines for a VA-wide forms and correspondence management program, provides technical advice and assistance to all elements of VA, and serves as the agency clearance office for OMB approved public use forms.

During FY '80, the Division developed the agency Information Collection Budget for FY '81 under Executive Order 12174, "Paperwork", completed action on 19 recommendations of the Commission on Federal Paperwork, analyzed requests for and designed 354 new and revised forms and form letters, reviewed and processed 823 requests for replenishment of forms and form letters, reviewed and processed 64 requests for OMB clearance of new and revised forms and form letters, and conducted a form and form letter reduction drive resulting in elimination of 1,404 items.

Mail and Travel Policy Staff

This Staff develops and recommends agencywide policy and controls over the receipt and dispatch of official mail and implementation of both the employee and beneficiary travel programs. It provides technical advice and assistance at all operating levels in the performance of these functions and administers agency-level and Government-wide controls over these functions. The Staff serves as principal VA liaison with the U.S. Postal Service, GSA, GAO, and other agencies and external elements regarding its functional responsibilities.

During FY '80, the Staff: (1) conducted one study required by statute to determine the adequacy of VA beneficiary travel allowances; (2) conducted agencywide semiannual mail volume and cost samplings utilized in budget planning and in negotiations with the USPS regarding proper postage payment; (3) planned and initiated a feasibility study on the conversion of the VA from indicia mail to a metered mail system; (4) participated in implementing a successful cost savings program on use of reduced fare airline contracts for official Government travel; (5) conducted a large scale survey to provide information on VA employee travel for assembly of a Government-wide data base.

Summary of Budget Estimates

	1980 Actual	1981 Budget Estimate	1981 Current Estimate	1982 Estimate	Inc/Dec '82 vs '81
Average Employment.....	26	24	24	25	+1
Costs:					
Personal Services.....	$723,952	$649,900	$706,900	$ 721,000	+$ 14,100
Travel & Transportation of Persons.....	4,047	5,000	5,000	20,000	+ 15,000
Rents, Communications and Utilities.....	4,121	...	...	...	...
Other Services.....	10,397	5,100	7,000	350,000	+ 343,000
Supplies and Materials.....	1,308	5,000	2,100	20,000	+ 17,900
Equipment.....	1,087	2,000	3,000	13,000	+ 10,000
Total Costs.....	$744,912	$667,000	$724,000	$1,124,000	+$400,000

Summary of Budget Request

Funds in the amount of $1,124,000 and an average employment of 25 is required to support the Office of Management Services' operations. FY '82 requirements reflect an increase of $14,100 over the FY '81 current estimate for personal services. The increase results from the effect of normal salary increases as well as one additional FTE to support the VA Environmental Affairs program. FY '82 requirements also reflect an increase of $385,900 over the FY '81 current estimate for travel and transportation of persons, other services, supplies and materials, and equipment. The increase is required for administrative support activities, leases, training and required employee travel in connection with the project to automate VA Regulations and Federal Register programs. The actual automation project is budgeted by the Office of Data Management and Telecommunications.

Analysis of Increases and Decreases - 1982

	1980 Actual	1981 Current Estimate	1982 Estimate	Inc/Dec '82 vs '81
Personal Services.....	$723,952	$706,900	$721,000	+$14,100

Increases in FY '82 result from the effect of normal salary increases and one additional FTE to support the VA Environmental Affairs program.

Travel and Transportation of Persons:				
Employee Travel.....	$ 3,515	$ 4,000	$ 19,000	+$15,000
Other Travel.....	532	1,000	1,000	...
Total.....	$ 4,047	$ 5,000	$ 20,000	+$15,000

The increase in FY '82 results from travel required for executive development and training in connection with automation of the VA Federal Register and Regulations Program, as well as keeping abreast of state-of-the-art in micrographics and word processing technology.

	1980 Actual	1981 Current Estimate	1982 Estimate	Inc/Dec '82 vs '81
Rents, Communications and Utilities.....	$ 4,121	...	...	...
Other Services.....	$10,397	$ 7,000	$350,000	$343,000

The increase in FY '82 is required for administrative support activities, training, leases, and equipment maintenance costs associated with the automation of VA regulations and the Federal Register Programs. These funds will not be used for the purchase of ADP equipment.

Supplies and Materials..	$ 1,308	$2,100	$ 20,000	+$17,900

The increase in FY '82 is required to support normal operations of the office, as well as, additional supplies required to support the automation of VA Regulations and the Federal Register Programs.

Equipment.....	$ 1,087	$3,000	$ 13,000	+$ 10,000

The increase in FY '82 is needed for equipment to support the normal operations of the office, replace existing worn and outdated equipment and procure any necessary ancillary equipment for the automation of VA Regulations and Federal Register Programs.

OFFICE OF ADMINISTRATIVE SERVICES

Introduction

The Assistant Administrator for Administrative Services is responsible to the Assistant Deputy Administrator for the provision of general administrative services support for Central Office and certain operating services on a VA-wide basis. These activities are accomplished by four services, one of which is funded under the Supply Fund.

Program Description

Administrative Services functions and services are varied and complex. Our objective is to assist those responsible for directing and carrying out substantive programs in their mission of "service to veterans and their dependents." Administrative Services has staff as well as operational responsibility for the printing, reproduction and distribution program as well as the audio-visuals program. The remaining functions are operational such as management of real property, supplies, equipment, furniture and furnishings; receipt, distribution and dispatch of mail; communications services, employee travel and records management. Our goal is to render the best possible service at the least possible cost and we are constantly striving to improve our service in order to meet this goal.

Program Activity

Office Operations Service - Provides office support services for VA Central Office by receipt, distribution and dispatch of mail, teletypes and facsimile documents, messenger service, telephone and employee travel, and records management. Issues Presidential Memorial Certificates to the next of kin of honorably discharged deceased veterans. Furnishes veteran identification data from BIRLS on inquiries from all Central Office elements, other Government agencies such as the FBI, Department of Defense, and veterans organizations in the Washington Metropolitan area.

	FY 1980 Actual	FY 1981 Current Estimate	FY 1982 Estimate
Mail processed, VA Building.....	1,014,500	1,047,200	1,054,900
Teletype message actions.....	444,000	444,000	444,000
Memorial Certificates Issued.....	244,300	251,600	259,100

Building and Supply Service - Provides the services of purchasing, warehousing, accountability, storage, issue, inventory, disposition of excess supplies and equipment, and furniture and furnishings for Central Office elements. Acquires and disposes of office and other space in the Washington Metropolitan area. Provides layout assistance to improve space utilization, and also to improve working conditions by modernization, renovation and maintenance. Responsible for the implementation and conduct of a personal security program in the VACO Building.

Audio Visuals Service - Furnishes agency-wide guidance in planning the use of visuals to support all programs. Provides consultation services and production of art work for slides, film strips, TV spot announcements, and charts used for briefings, conferences, and training. Provides planning, consultation, design, photographic, and construction services associated with VA exhibits for display at national veterans organization conventions, specialized medical and scientific meetings, personnel and engineering seminars, and general public display. Distributes informational, educational, and training films, video tapes, and film strips throughout VA, and to veterans organizations, schools, professional and technical groups, and the public via television.

Summary of Budget Estimates

	1980 Actual	1981 Budget Estimate	1981 Current Estimate	1982 Estimate	Inc/Dec 82 vs 81
Average Employment.	178	176	176	173 ~~176~~	-3 ~~...~~
Costs:					
Personal svcs....	$3,243,499	$3,326,200	$3,620,200	3,581,000 ~~$3,661,000~~	- 39,200 $ ~~+ 40,800~~
Travel & trans. of persons.....	33,700	12,200	27,200 ~~27,200~~	27,200 ~~27,200~~	...
Trans. of things..	105,562	124,400	32,000	32,000	...
Rents, Comm. & utilities.....	8,233,878	9,125,900	9,140,200	9,677,800	+537,600
Printing & reproduction...	1,164,797	880,900	944,000	1,211,300	+267,300
Other services...	792,047	272,000	272,000	382,800	+110,800
Supplies & materials.....	415,105	352,400	352,400	469,200	+116,800
Equipment.....	246,059	...	...	57,700	+ 57,700
Total costs....$14,234,647		$14,094,000	$14,386,000	15,445,000 ~~$15,519,000~~	1,059,000 ~~$1,131,000~~

Summary of budget request

Funds in the amount of 15,445,000 ~~$15,519,000~~ and an average employment of 173 ~~176~~ are required in order to carry out the mission of Administrative Services. The increases in FY 1982 are due primarily to communications, Government Printing Office, and GSA rate increases. Detailed justifications appear on subsequent pages.

Explanation of Increases and Decreases - 1982

	1980 Actual	1981 Current Estimate	1982 Estimate	Inc/Dec 82 vs 81
Average Employment:				
Office of the Assist. Administrator.....	12	9	9	...
Office Operations Service.....	84	83	~~83~~ 81	-2
Building & Supply Service.....	48	50	~~50~~ 49	-1
Audio Visuals Service.....	34	34	34	...
Total.....	178	176	~~176~~ 173	-3

	1980 Actual	1981 Current Estimate	1982 Estimate	Inc/Dec 82 vs 81
Payroll Costs.....	$3,243,499	$3,620,200	3,581,000 ~~$3,661,000~~	- 39,200 $ ~~+ 40,800~~

Funds included for payroll costs are required to support the manpower needs. Funding requested for FY 1982 reflects costs of normal within-grade salary increases and annualization of the October 1980 pay raise.

	1980 Actual	1981 Current Estimate	1982 Estimate	Inc/Dec 82 vs 81
Travel and transportation of persons				
Employee travel	$ 6,423	$ 3,000	$ 3,000	$ ...
Other travel	27,277	22,200	22,200	...
Total	$33,700	$25,200	$25,200	...

Employee travel provides for temporary duty travel in connection with conferences, veterans organization meetings and training required in the performance of official duties. Also provides visits to field stations by the Assistant Administrator and staff. Other travel includes funds for the rental of passenger vehicles from the GSA motor pool, and for METRO and taxi fares.

Transportation of things				
Freight, express and drayage	$19,587	$24,300	$24,300	...
Parcel post reimbursement	60,079	2,500	2,500	...
Rental of trucks from GSA pools	25,896	5,200	5,200	...
Total	$105,562	$32,000	$32,000	...

Freight, express and drayage includes all miscellaneous shipping costs for Central Office including printed materials for binding, supplies, equipment and samples to other VA installations. Also provides funds for commercial carrier shipments of VA-owned exhibits and displays throughout the United States. All of these exhibits on all VA programs are controlled for presentation by Administrative Services. They are shipped, presented and returned to storage sites throughout the year in support of VA meetings and conferences.

Parcel post covers funds required for reimbursement to the U.S. Postal Service. Estimate is to cover shipment of tab cards, construction blueprints, books, pamphlets, etc. The amount is determined by a sampling technique of the material shipped.

Funds required for rental of one truck from GSA motor pool which is used to transport furniture and machines between buildings which house VA personnel.

Rents, communications and utilities				
Communications	$1,127,731	$1,123,900	$1,455,300	$+331,400
Regular mail reimbursement	339,222	482,100	482,100	...
Equipment rental	231,860	194,600	200,000	+5,400
Standard level user charges	6,372,388	7,114,600	7,283,600	+169,000
Special space services	162,677	225,000	256,800	+31,800
Total	$8,233,878	$9,140,200	$9,677,800	$+537,600

The estimate for communications service represents costs for staff offices in Central Office including all types of telephone costs, record/data services and facsimile costs. These services are largely provided by the General Services Administration through its Federal Telecommunications and Advanced Record Systems. Charges are based on rates prescribed by GSA. In FY 1982 an increase ($72,700) is projected for ARS ($44,700) and FTS ($28,000) to cover increase in GSA maintenance costs and an increase in calling volume. The FY 1982 figure also provides for the conversion of the VACO switchboard to the latest GSA telephone system ($152,000).

Funds for regular mail reimbursement represent the total estimated costs to be incurred by Central Office activities. Mail costs are projected on the basis of periodic samplings of actual volume handled, along with estimates of additional volume.

Equipment rental provides for photocopy equipment used in the Photocopy Center and other elements requiring the service.

Standard level user charges include payment required for rental of space from the General Services Administration as required by the Public Building Amendment. The estimate for FY 1982 provides for rental of 815,414 square feet of space in nine buildings. The estimate is based on 100% of the amount prescribed by GSA in accordance with established fair annual rental (FAR) appraisals.

Special space services provide for additional protective services for the VA Building, and other service requirements beyond the GSA standard level of services.

	1980 Actual	1981 Current Estimate	1982 Estimate	Inc/Dec 82 vs 81
Printing and reproduction.....	$1,164,797	$944,000	$1,211,300	$+267,300

To provide funds to reimburse the Supply Fund for all printing and reproduction for all staff offices other than the Assistant Administrators for Construction and Data Management and Telecommunications. Requirements include VA forms and form letters, manuals, circulars, printed envelopes, and other reproduction services produced by the VA Printing Plant and GPO. FY 1982 estimate provides for GPO rate increase.

Other Services

Repair of furniture & equipment	$14,651	$15,000	$15,000	...
Nonrecurring reimbursable services to GSA.....	578,148	102,000	212,800	$+110,800
Miscellaneous contractual services.....	199,248	155,000	155,000	...
Total.....	$792,047	$272,000	$382,800	$+110,800

Repair of furniture and equipment includes funds for maintenance of adding machines and calculators, recovery of platens, power and feed rolls on typewriters, and cost of maintenance contracts on mail sealing, addressograph and varityper equipment. Nonrecurring reimbursable services to GSA include funds for alterations and repair to VA occupied buildings, out-of-cycle painting and other miscellaneous services performed above the standard level. Rates charged for reimbursable services are fixed to recover cost incurred by GSA in providing these services. Miscellaneous contractual requirements include commercial acquisition of motion picture service for filming, processing and reproduction of motion picture films, TV films and spot announcements, and other special filming projects. Other expenditures in this area include audiovisuals equipment repair and modification, exhibits installation and removal, booth rental, special composition services in the design and production of charts, graphs, slides and other visual media. Also included is $1,400 for Executive Development training.

Supplies and materials.....	$415,105	$352,400	$469,200	$+116,800

This request provides funds for all expendable supplies used in staff offices and departments in Central Office including operating supplies such as typewriter parts; miscellaneous parts and supplies for the operation of the photocopy equipment; chipboard for use with Presidential Memorial Certificates; airline and railroad guides used in the travel activity; wrapping paper, tape, mailing tubes, etc. FY 1982 estimate reflects return to normal usage levels for these items.

Equipment.....	$246,059	...	$57,700	$+57,700

FY 1980 cost includes one time acquisition of mail equipment. Budget restrictions prohibited any equipment replacement in FY 1981. FY 1982 estimated cost is for normal replacement of equipment which meets the standard for replacement and for non-serviceable items of furniture requiring replacement.

OFFICE OF THE CONTROLLER

Introduction

The VA Controller is the financial management officer of the Agency and is responsible to the Administrator of Veterans Affairs for all Agency level budget, finance and statistical reporting functions of the Veterans Administration.

Program Description

Through his various staff services, the Controller (1) acts as the Administrator's agent in all matters pertaining to budget formulation and execution; (2) operates the VA finance program; (3) operates a centralized reports and statistics service; (4) reviews, evaluates, and coordinates the VA construction program in all its fiscal aspects; and (5) develops ADP systems specifications in such areas as fiscal accounting, payroll records management, management information, and budget preparation. The Controller also serves as the principal representative of the VA with other governmental agencies and offices, and the Congress on controllership matters.

Program Activity

Agency controllership functions are accomplished through three Services: Budget Service, Reports and Statistics Service, and Finance Service.

Budget Service exercises agencywide responsibility for budget formulation and execution activities.

This Service:

--formulates, reviews, and evaluates policies and basic procedures covering (1) formulation and execution functions; (2) administrative control of all apportioned funds, and (3) agencywide program and financial plans.

--reviews, monitors and coordinates the departments' and staff offices' budget preparation and execution processes.

--insures that the Administrator's policies, plans, and objectives with respect to budgeted resources are implemented.

--coordinates the development of budget estimates on proposed or pending legislation, and analyzes the increase or decrease in funding which would result from such legislation.

--provides liaison on VA budgetary matters with the Office of Management and Budget and the Professional Staffs of the Appropriations Committees of Congress, and assists in presenting and justifying appropriation estimates before the Office of Management and Budget and the Congress.

--coordinates the development of automated budget procedures.

Finance Service formulates plans, policies, systems and procedures for financial management of all VA programs.

This Service:

--performs processing, accounting, reporting, and auditing of payments and collections, costs and revenues, assets and liabilities and related fiscal activities.

--provides fiscal advice and assistance to departments, staff offices and field offices and conducts for them some of their financial management activities.

--operates on-site accounting service for VA programs in Central Office and at the Austin and Hines data processing centers.

--provides training assistance, Central Office field liaison, and quality control for field fiscal activities.

--maintains the agency financial control accounts; reviews, analyzes and consolidates field element financial reports.

--develops consolidated balance sheets and financial statements for all levels of the agency and controls cash balances and financial transactions with the Treasury Department.

--provides for application of ADP systems in such areas as fiscal accounting, and payroll records management.

--conducts the agencywide cash management program.

Reports and Statistics Service conducts an agency-level report management function and performs statistical research and reporting activities covering agencywide programs.

This Service:

--formulates standards, policies, and plans pertaining to the operation of a VA integrated reporting system.

--provides support in the methodology of statistical research and collaborates in statistical studies on the effectiveness of substantive programs.

--prepares the official veteran population estimates, current and projected, for use by VA and other government agencies.

--reviews and controls all proposals to obtain information from individuals or organizations subject to the Federal Reports Act.

--makes analyses of morbidity and mortality levels among veterans, and continuing analyses of patient stay, and immediate and long-term results of treatment.

--provides for application of ADP systems for management information and statistical analyses.

Summary of Budget Estimates

	FY 1980 Actual	FY 1981 Budget Estimate	FY 1981 Current Estimate	FY 1982 Estimate	Inc/Dec 82 vs 81
Average Employment...	512	504	492	~~570~~ 553	~~+78~~ +61
Costs				15,066,000	-396,000
Personal Services....	$13,897,939	$14,843,000	$15,462,000	~~$15,474,000~~	~~+$ 12,000~~
Travel and Trans. of Persons.....	150,389	176,000	~~176,000~~ 158,000	~~219,000~~ 201,000	+ 43,000
Trans. of Things.....	1,655	16,000	10,000	18,000	+ 8,000
Rents, Comm. & Util..	208,772	215,000	275,000	441,000	+ 166,000
Other Services.....	445,706	547,000	455,000	568,000	+ 113,000
Supplies & Materials.	47,260	50,000	50,000	53,000	+ 3,000
Equipment.....	135,770	40,000	70,000	116,000	+ 46,000
Total Costs.....	$14,887,491	$15,887,000	$16,480,000	$16,463,000	~~+$391,000~~ -17,000

Summary of Budget Request

An average employment of ~~570~~ 553 and $~~16,889,000~~ 16,963,000 are requested to support the Controller's operations in FY 1982. The DECREASE in personal services dollars is a combination of several factors; an average employment increase of 61 normal within-grade increases and annualization of the October 1980 GS pay raise all contribute to an increase in personal services. These are offset by a substantial decrease in the employee compensation payment to the Department of Labor. Non-payroll increases are due to expansion of the workforce in the Finance Division at DPC Austin; increased travel for the Congressionally mandated debt collection effort, the PAID redesign project and the CALM conversion effort; preliminary work on a new survey of female veterans; and normal increases in rents, contractual services, supplies, materials and equipment.

Explanation of Increases and Decreases -- 1982

	FY 1980 Actual	FY 1981 Current Estimate	FY 1982 Estimate	Inc/Dec 82 vs 81
Average Employment				
Immediate Office.....	7	10	10	...
Budget Service.....	30	34	34	...
Finance Service.....	360	341	~~418~~ 409	~~+77~~ +68
Reports & Statistics Service	115	107	~~108~~ 100	~~+1~~ -7
Total	512	492	~~570~~ 553	~~+78~~ +61
Personal Services.....	$13,897,939	$ 15,962,000	$15,066,000	-896,000

Average employment decreases 16 from FY 1980 to FY 1981 because of a realignment of Agency data processing resources. This is partially offset by an increase of 4 average employment to be devoted to the expanded debt collection activity required by Congress. Our average employment increases ~~78~~ in FY 1982 over FY 1981. This is due to expanded activity at the Finance Division in the Austin Data Processing Center (DPC) (+70 average employment), the PAID redesign effort (+6) conducted jointly with ODM&T and the AA/Personnel, and continuing expansion of our debt collection activity (+2). The increase in our Austin DPC personnel will be used to expand our full-CALM accounting system. Forty-one DM&S facilities will be converted to full-CALM at a total cost of $1,500,000 of which $1,275,000 is Personal Services dollars. These conversions will generate estimated savings of 178 average employment and $2,535,000 in the Department of Medicine and Surgery, resulting in net savings to the Agency. The other major change in our Personal Services cost is the decrease of $1,698,000 in the Employee Compensation Program billing from the Department of Labor.

Travel and Trans. of Persons..	$ 150,389	$ ~~176,000~~ 151,000	$ ~~219,000~~ 201,000	+$ 43,000

Travel is required to conduct on-site evaluations of field element operations as they relate to the Controller's responsibilities in the functional areas of budget, financial management, reports management and statistical research and to provide fiscal assistance to field offices when requested. The FY 1982 estimate is $~~219,000~~ 201,000, an increase of $43,000 over the FY 1981 level. This increase is due primarily to the three major initiatives which we will undertake or expand in FY 1982: conversion of 41 DM&S facilities to full-CALM; redesign of the PAID system which operates at Austin DPC; and a further expansion of our debt collection activities.

Transportation of Things.....	$ 1,655	$ 10,000	$ 18,000	+$ 8,000

To pay for shipment of household goods and personal effects of employees expected to be transferred in order to provide expertise at the required duty station. The increase of $8,000 in FY 1982 over FY 1981 reflects the increasing resources to be devoted to the Austin DPC.

Rents, Comm. & Utilities.....	$ 208,772	$ 275,000	$ 441,000	+$166,000

Rents, Communications and Utilities funds are primarily for General Services Administration space rental at the Austin DPC. Funding for the rental of office machinery is also included in these estimates. The total request for FY 1982 is $441,000, an increase of $166,000 over the FY 1981 level. This is due to the doubling of our space requirements at the Austin DPC for the CALM conversion effort.

Other Services.....	$ 445,706	$ 455,000	$ 568,000	+$113,000

Research and statistical contracts are primarily with the Bureau of the Census. These contracts concern the collection, processing, and tabulating of information on the current social and economic status of veterans, their families and their survivors. Funding for program evaluation statistical support and the special population survey by the Bureau of the Census will also continue in FY 1981 and FY 1982. Funding for professional, paraprofessional and clerical education and training is also included in this category. The request of $568,000 in FY 1982 is an increase of $113,000 over the FY 1981 level and will be used primarily for preliminary design of a statistical survey of female veterans as the results of the 1980 Census become available.

Supplies and Materials.....	$ 47,260	$ 50,000	$ 53,000	+$ 3,000

These estimates reflect non-stock administrative supplies and special supply items. The increase in FY 1982 over FY 1981 reflect our increased employment for the new initiatives.

Equipment.....	$ 135,770	$ 70,000	$ 116,000 +$ 46,000

Estimated costs are for normal replacements of equipment which meet the standards for replacement, for non-serviceable items of furniture and equipment requiring replacements, and for new furniture and equipment for the added personnel. $40,000 of the $46,000 increase in FY 1982 is for the CALM conversion effort at the Austin DPC.

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OFFICE OF HUMAN GOALS

Introduction

The Office of Human Goals (OHG) is headed by an Assistant Administrator for Human Goals (AA/HG), who is also Agency Director of Equal Employment Opportunity (EEO). The AA/HG is directly responsible to the Administrator of Veterans Affairs and is the Administrator's advisor on all matters concerning the VA's civil rights and equal opportunity programs. The primary aims of OHG are:

o to give central direction to the VA's Equal Employment Opportunity, affirmative action and other human goals programs - including the Federal Equal Opportunity Recruitment Program (FEORP).

o to develop and maintain these programs as models in the achievement and protection of equality and human rights.

o to provide special emphasis to programs concerning disabled and Vietnam era veterans, handicapped individuals, racial and ethnic minorities, and women.

o to monitor VA's procurement system to ensure that minority and women entrepreneurs are afforded an equal opportunity to participate in the procurement of goods and services.

Program Description

The Office of Human Goals is the central coordinative mechanism between Agency Departments and Staff Offices and other elements within the VA for carrying out the Agency's equal opportunity and civil rights activities.

OHG is responsible for equal opportunity and civil rights program development. The Office monitors the VA's discrimination complaints processing system and the development and implementation of affirmative action plans. It develops and conducts program-related training and research projects. OHG provides advice, guidance and technical assistance to field personnel with equal opportunity responsibilities. The Office conducts community liaison and outreach efforts stressing prevention of problems. It also provides statistical reports on the employment of minorities and women.

Program Activity

The Agency's Federal Women's and Hispanic Employment Program Managers (FWPM and HEPM) are special assistants to the AA/HG. The FWPM provides a central point of contact for promoting and advancing the FWP throughout the VA, coordinates policy, evaluates adequacy of the FWP and represents the VA with individuals and groups concerned with improvement of employment opportunities for women. The FWPM also analyzes statistical data from quarterly reports to assess and keep abreast of the status of women in the VA and responds to the career, personal, and precomplaint counseling needs of women.

The HEPM assures that recruitment efforts reach Hispanics, insures that EEO is afforded Hispanics, evaluates and implements VA's HEP, and establishes and maintains contact, as VA's representative, with Hispanic groups and organizations.

OHG has three constituent services - Discrimination Complaints, Affirmative Action, and Standards, Resources and Training.

The Discrimination Complaints Service is responsible for monitoring all phases of complaint processing (except for final decisions). It reviews formal complaints for acceptability, assigns complaints to investigators, provides technical assistance to investigators and others with ED responsibilities, provides assistance to all employees in order to facilitate resolution and timely processing of complaints, reviews complaints for procedural compliance and serves as point of coordination for EEOC on all matters relating to complaints.

The Affirmative Action Service makes an indepth evaluation of EEO Plans of Action from field stations for compliance with applicable EED and Affirmative Action requirements, provides technical assistance and guidance to field station personnel with ED responsibilities. Develops Agency's Affirmative Action Plans for EED and for handicapped individuals and disabled veterans. Develops National FEORP Plan and reviews field station plans. Represents OHG and VA at minority group-sponsored conferences. Serves as agency liaison with EEOC and OPM on matters concerning Affirmative Action Programs.

The Standards, Resources and Training Service is responsible for monitoring and coordinating the Agency's policies that govern Equal Employment Opportunity (Title VII) Nondiscrimination in Federally Assisted Programs (Title VI) Section 504 of the Rehabilitation Act of 1973, Sex Discrimination (Title IX) and Age Discrimination. Maintains liaison with Agencies with lead responsibilities for civil rights programs. Evaluates human goals programs to determine their effectiveness. Develops and implements a wide range of training for EEO Officers, EEO Counselors, EEO Investigators, Top Level Supervisors and other VA employees who have EEO responsibilities.

Highlights of Fiscal Year of 1980

- Assumed lead responsibility for agency development and implementation of the FEORP mandated by the Civil Service Reform Act.
- Conducted one seminar for field station HEPM's.
- Trained 590 EEO Officers, counselors, investigators and supervisors.
- Evaluated 145 field station EED Plans of Action.
- Evaluated 245 field station Affirmative Action Plans for Handicapped Individuals and Disabled Veterans.
- Developed and published the Agency's regulations implementing Section 504 of the Rehabilitation Act of 1973 (P.L. 93-112).
- Developed the Agency's National Affirmative Action Plans for EEO and for Handicapped Individuals and Disabled Veterans.
- Assisted in closing 400 discrimination complaint cases.
- Conducted 18 EO workshops/conferences.

- Participated in 30 other workshops/conferences.
- Monitored 300 complaint investigations.
- Conducted three of a series of the Agency's first FWPM's regional training seminars.
- Participated in three DVB conferences on external regulations, i.e., 504, age, Title VI and Title IX.
- Participated in three DM&S conferences for EEO Specialists.
- Participated in three personnel conferences.
- Participated in one DMA Manager/Director conference.

Plans and Trends

- Continued priority attention will be given to improving the overall management and administration of all VA civil rights and equal opportunity programs.
- Affirmative Action Plan review process will be improved and strengthened as a management tool in line with new guidelines from Equal Employment Opportunity Commission (EEOC).
- Training programs for EEO Officers, supervisors, counselors and investigators will be continued.
- Intensified efforts will continue (in conjunction with FEORP) for the recruitment and/or placement of disabled and Vietnam Era veterans, handicapped individuals, racial and ethnic minorities, and women.
- Continued efforts will be made towards monitoring and evaluating program progress through data automation for the VA's equal opportunity and human goals programs.
- Reduce discrimination complaints processing time.
- Provide coordination for Agency programs under the Rehabilitation Act of 1973 (P.L. 93-112).
- Provide coordination for Agency programs under the Age Discrimination Act of 1975 (P.L. 95-478) and Title IX, Sex Discrimination.
- Develop new Agency regulations on EEO and Affirmative Action.
- Develop and implement sexual harassment training for the Agency.

SUMMARY OF BUDGET ESTIMATES

1982

	1980 Actual	1981 Budget Est.	1981 Current Est.	1982 Est.	INC/DEC 82 VS 81
Average Employment	31	28	28	29	+1
Costs:					
Personal Services	$823,016	$753,000	$810,000	$832,000	+$22,000
Travel & Transp. of persons	$92,598	$69,000	~~$69,000~~ $62,000	~~$85,000~~ $75,000	+$16,000
Transp. of Things	$17	$4,000	$4,000	$4,000	$ ...
Rents, Communic. and Utilities	$31,407	$33,000	~~$33,000~~ $27,000	~~$33,000~~ $27,000	$ ...
Other Services	$22,266	$85,000	$85,000	$90,000	+$5,000
Supplies & Materials	$11,770	$30,000	$30,000	$30,000	$ ...
Equipment	$789	$12,000	~~$12,000~~ $7,000	~~$15,000~~ $10,000	+$3,000
Total costs	$981,863	$986,000	~~$1,043,000~~ $1,025,000	~~$1,089,000~~ $1,071,000	+$46,000

Summary of Budget Request

Funding of ~~$1,089,000~~ $1,071,000 with average employment of 29 is requested for FY 1982. Increased requirements are for normal salary increases, cost of training efforts in support of sexual harassment (congressional mandate) and cost of supporting agency recruitment efforts associated with FEORP.

Explanation of Increases and Decreases - 1982

	FY 1980 Actual	FY 1981 Curr. Est.	FY 1982 Estimate	Inc/Dec 82 vs 81
Average Employment				
Assistant Admin. for Human Goals	2	2	2	...
Deputy Asst. Admin. for Human Goals	2	2	2	...
Federal Women's Program	2	2	2	...
Hispanic Employment Program	1	1	1	...
Standards, Resources & Training Service	7	6	6	...
Affirmative Action Service	7	6	7	+1
Discrimination Complaints Service	10	9	9	...
Personal Services	823,016	810,000	832,000	+22,000

The personal services costs provide funding for employee salaries, including fringe benefits paid by the government, such as retirement, life insurance, and health benefits. Increased costs in FY 1982 reflect normal salary increases.

	FY 1980 Actual	FY 1981 Curr. Est.	FY 1982 Estimate	Inc/Dec 82 vs 81
Travel and Transportation of Persons	$92,598	~~$65,000~~ $62,000	~~$85,000~~ $71,000	+$16,000

Funds are required for Equal Opportunity Specialists to travel in conjunction with the conduct of training seminars for field station personnel. Additionally, these funds will be used for resolving Equal Opportunity complaints, special purpose trouble-shooting and evaluation visits to field stations, and supervisory training at selected field stations. Increase in FY 1981 will be used for expanded recruitment efforts in conjunction with FEORP.

Transportation of Things	$17	$4,000	$4,000	...

These costs are incurred by employees in the transportation of their furniture and personal effects in moving from one location to another on permanent assignment at the convenience of the government.

Rents, Communications and Utilities	$31,407	~~$33,000~~ $27,000	~~$33,000~~ $27,000	...

These funds are used to pay costs associated with leases of office equipment.

Other Services	$22,266	$85,000	$90,000	+$5,000

Funds are to be used for securing training facilities, speakers and material for seminars of field employees. Funds are also to be used to develop EO films and Office of Human Goals information update for agencywide distribution. A portion of these funds will be used for consultant fees on a very limited basis. Increased funds are to be used for executive and other training of office employees, to support agency recruitment efforts associated with FEORP and sexual harassment prevention programs.

Supplies and Materials	$11,770	$30,000	$30,000	...

These costs reflect non-stock administrative supplies and special supply items.

Equipment	$789	~~$12,000~~ $7,000	~~$15,000~~ $10,000	+$3,000

Estimated costs are for normal replacement of equipment which meets the standards for replacement and for nonserviceable items of furniture and equipment requiring replacement.

DEPARTMENT OF MEMORIAL AFFAIRS

Introduction

The Department of Memorial Affairs, established February 23, 1978, is one of the three operating Departments of the Veterans Administration. It is under the direction of the Chief Memorial Affairs Director, who concurrently serves as the Director, National Cemetery System. He is the principal advisor to the Administrator in regard to cemeterial and memorial matters.

A total of 140 cemeterial installations are now included in the National Cemetery System, located in 41 states, the District of Columbia and Puerto Rico. The Headstone and Marker Procurement Activity is a part of the Central Office, operating from the District of Columbia.

The National Cemeteries Act of 1973 (Public Law 93-43), enacted June 18, 1973, authorized the Administrator of Veterans Affairs to establish a National Cemetery System within the Veterans Administration. The Act transferred some 82 national cemeteries and 32 miscellaneous burial plots and monument sites, as well as the mission of procurement of headstones and markers, from the Army to the Veterans Administration effective September 1, 1973. On July 1, 1974, some 21 cemeteries located at Veterans Administration Medical Centers were added to the system. In 1976, new national cemeteries were dedicated at Indiantown Gap, PA, Riverside, CA, and Bourne, MA. (The latter two cemeteries are now open for interments.) In 1977, the U. S. Naval Home Cemetery in Philadelphia, PA was accepted into the system. Another new cemetery was dedicated and opened during 1978 at Calverton, NY and the planned cemetery at Indiantown Gap, PA is scheduled for opening late in FY 1982. Additional cemeteries are projected for Federal Standard Regions IV and V, to open subsequent to FY 1982.

Program Description

The Department of Memorial Affairs administers a twofold mission: first, to provide, upon request, for the interment in any national cemetery with available grave space the remains of eligible deceased service persons and discharged veterans (together with their spouses and certain dependents) and to permanently maintain these graves; and second, to mark graves of eligible personnel in national and private cemeteries, upon proper application.

Program Activity

The existing 140 cemeterial activities total 8,285 acres. The new cemetery at Bourne, MA opened in October 1980. Since the establishment of the National Cemetery System by the Veterans Administration in 1973 and through FY 1982, approximately 360,000 decedents will have been interred in the national cemeteries. During the same nine-year period, roughly two million headstones and markers will have been furnished to mark graves.

Plans and Trends

In 1980, a total of 41,120 remains of veterans, active duty personnel and dependents were interred in the national cemeteries. We project 44,000 in 1981 and have estimated 48,000 for 1982. A total of 268,055 headstone applications were processed in 1980 and the estimates for 1981 and 1982 are 268,000 respectively.

SUMMARY OF BUDGET ESTIMATES

	1980 Actual	1981 Current Estimate	1982 Estimate	1982 vs 1981 Incr. (+) Decr. (-)	
Workloads:					
Interments Accomplished					
New Cemeteries					
Riverside	3,814	4,100	4,600	+	500
Calverton	6,756	7,400	8,200	+	800
Massachusetts	0	1,500	1,900	+	400
Indiantown Gap	0	0	150	+	150
Subtotal	10,570	13,000	14,850	+	1,850
Other Cemeteries	30,550	31,000	33,150	+	2,150
Total	41,120	44,000	48,000	+	4,000
Occupied Gravesites Maintained					
New Cemeteries					
Riverside	7,370	11,730	15,105	+	3,375
Calverton	12,988	20,870	26,945	+	6,075
Massachusetts	0	1,490	3,390	+	1,900
Indiantown Gap	0	0	150	+	150
Subtotal	20,358	34,090	45,590	+	11,500
Other Cemeteries	1,396,576	1,415,844	1,440,344	+	24,500
Total	1,416,934	1,449,934	1,485,934	+	36,000
Headstone/Marker Applications Processed	268,055	268,000	268,000		--
Average Employment:	1,111	1,164 ~~1,163~~	1,164	-	1
Costs:					
Personal services. . . .	$21,097,813	$23,274,000 ~~$23,287,000~~	$23,332,000	+$	58,000 ~~45,000~~
Travel & transportation of persons	227,120	255,000 ~~283,000~~	252,000 ~~280,000~~	-	3,000
Transportation of things	117,902	130,000	130,000		--
Rent, comm. & utilities.	1,360,950	1,610,000	1,800,000	+	190,000
Printing & reproduction.	102,838	80,000	95,000	+	15,000
Other services	4,217,189	3,058,000 ~~3,060,000~~	3,586,000 ~~3,588,000~~	+	528,000
Supplies & materials . .	1,925,233	1,785,000	2,172,000	+	387,000
Equipment.	927,526	1,445,000 ~~1,450,000~~	1,932,000 ~~1,937,000~~	+	487,000
Lands & structures . . .	430,106	760,000	1,110,000	+	350,000
Total Costs (NET)	$30,406,677	$32,397,000 ~~$32,445,000~~	$34,409,000 ~~$34,444,000~~	+$2,012,000 ~~+$1,999,000~~	

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Summary of Budget Request

For FY 1982 a total of 1,164 average full-time equivalent employees and total estimated costs of $34,409,000 are requested. Sixty-eight percent of the total costs or $23,332,000 is for personal services. The equipment and lands and structures accounts comprise nine percent of the total and all other accounts for 23%.

Changes from Original 1981 Budget Estimates

	1981 Budget Estimate	1981 Current Estimate	Incr. (+) Decr. (-)
Costs:			
Personal services	$21,430,000	~~$23,287,000~~ $23,274,000	~~+$1,857,000~~ +$1,844,000
Travel & transportation of persons	283,000	~~283,000~~ 255,000	- 28,000
Transportation of things	85,000	130,000	+ 45,000
Rent, comm. & utilities	1,610,000	1,610,000	-
Printing & reproduction	80,000	80,000	-
Other services	3,060,000	~~3,060,000~~ 3,058,000	-2,000
Supplies & materials ..	1,830,000	1,785,000	- 45,000
Equipment	1,450,000	~~1,450,000~~ 1,445,000	- 5,000
Lands & structures	760,000	760,000	-
Total Costs (net) ..	$30,588,000	~~$32,445,000~~ $32,397,000	~~+$1,857,000~~ +$1,809,000

The 1981 Budget considered by Congress totaled $30,588,000. This has been increased by $1,809,000 to $32,397,000. The increase is attributable to GS and WB employee pay raises. An amount of $1,862,000 for pay raises is included in the 1981 supplemental request. The total cost of the pay raise is $1,962,000 of which $100,000 is being absorbed. SES bonuses were also reduced $5,000 consistent with appropriation action which reduced SES funding 50%. Other minor adjustments include a reduction of one temporary average employment (#- 13,100); and reductions to travel (#- 26,100); Consultant services (#- 2,000); and equipment (#- 5,000).

Explanation of Increases and Decreases - 1982

	1980 Actual	1981 Current Estimate	1982 Estimate	1982 vs 1981 Incr. (+) Decr. (-)
Average Employment:				
Central Office	161	161	161	-
Field Operations	950	~~1,004~~ 1003	1,003	
Total	1,111	~~1,165~~ 1,164	1,164	
Personal Services:	$21,097,813	~~$23,287,000~~ #23,274,000	$23,332,000	~~+$ 45,000~~ +#58,000

Funding under Personal Services will support projected employment, including the Federal Government's cost of employee benefits such as retirement, hospitalization, and insurance.

Central Office

Management of the National Cemetery System as well as the procurement of headstones and grave markers is provided by a Central Office staff averaging 161 employee-years, headed by a Chief Memorial Affairs Director. This staff is organizationally divided into (1) Office of the Director, (2) Staff Offices, (3) Cemetery Service, and (4) Monument Service.

o Chief Memorial Affairs Director: Has jurisdiction over and is responsible to the Administrator of Veterans Affairs for the direction, control, and management of the Department of Memorial Affairs and the National Cemetery System. In this capacity, functions concurrently as Director, National Cemetery System. Within his immediate office, the Director of Ceremonies and Special Activities, the Public Affairs Officer, and the Director of State Cemetery Grants provide the following personal support to the Chief:

a. Arrange and coordinate senior level conferences involving Department and Agency activities with participation by senior VA officials; members of Congress; Federal and State officials; and officials of patriotic, fraternal, civic, and national veterans service organizations.

b. Represent the Chief Memorial Affairs Director with Department and Staff Office heads or their senior principals in the furtherance of mutually desirable objectives or in the resolution of actual or potential problems.

c. Responsible for stimulating a nationwide awareness of the National Cemetery Burial and Monument Programs.

d. Develop, coordinate, and implement the Department of Memorial Affairs' Outreach Program.

e. Develop, coordinate, and implement the Department of Memorial Affairs' State Cemetery Grant-in-Aid Program.

o Staff Offices:

a. Administer and coordinate all controller-type activities for the System.

b. Recommend general policies, plans, procedures, and standards for budget formulation and operational activities related to the appropriations and funds available to the Department.

c. Maintain overall controls of departmental appropriations with primary responsibility to avoid violations of the Anti-Deficiency Act.

d. Develop, formulate, coordinate, and recommend Department-wide plans, policies, and procedures.

e. Evaluate and assess on a continuing basis the quality and effectiveness of the DMA programs and operations.

f. Conduct studies of the organizational structure of the DMA, its functions, relationships, and staffing in the interest of improving effectiveness, economy of operations, and providing for the elimination of overlapping functions.

g. Provide personnel liaison and administer the System's Manpower Management Program.

h. Administer the personnel program for the Chief Memorial Affairs Director; advise and assist in all departmental personnel matters.

i. Advise and participate in organization planning, selection for management positions, personnel planning and utilization, position management, and employee motivation.

o Cemetery Service:

a. Exercises general operational control over the National Cemetery Area Offices, the national cemeteries and miscellaneous activities.

b. Determines eligibility of decedents for interment in national cemeteries and designated national cemeteries in which group burials will be made.

c. Develops and formulates long-range plans for an overall National Cemetery Program.

d. Maintains the central register of interments in all cemeteries.

e. Conducts field surveys in connection with development and expansion of existing cemeteries and the establishment of new cemeteries.

f. Prepares, coordinates, reviews and controls engineering studies and projects.

g. Prepares detailed gravesite layout maps of all national cemeteries, soldiers' lots, etc.

o Monument Service:

a. Receives and processes applications for headstones and markers.

b. Determines eligibility of decedent, type of headstone or marker to be furnished and the authorized inscription.

c. Authorizes memorial headstones and/or markers for all non-recoverable decedents.

d. Maintains a register of all replacement headstones and markers authorized.

e. Develops technical specifications for all of the different types of headstones and markers, including quality control provisions and packing and crating requirements.

f. Prepares and issues Invitations for Bid and conducts openings in accordance with established regulations and procedures.

g. Determines the successful bidders and administers the contracts awarded.

h. Places orders for headstones and markers with appropriate contractor and maintains balanced allocations among contractors.

i. Determines mode of shipment and the originating carrier for each headstone and marker procured.

j. Prepares and issues bills of lading for each shipment.

Field Operations

Immediate supervision of the 140 cemeterial stations is accomplished through three National Cemetery Area Offices located at Atlanta, Georgia; Philadelphia, Pennsylvania; and San Francisco, California. Field functions fall within two main categories:

1. Administrative and Clerical. This includes all national cemetery directors, clerical and other administravive personnel who are primarily concerned with:

   (a) Supervision of cemetery activities
   (b) Arranging for and conducting interments
   (c) Providing advice and assistance to the general public

2. Operation and Maintenance. Hourly wage employees assigned to functions in this category perform the following operations:

   (a) Opening and closing graves
   (b) Setting up interment equipment
   (c) Setting, realigning, and cleaning of headstones
   (d) Caring for grass, shrubbery and trees
   (e) Filling and sodding sunken graves
   (f) Making minor repairs to buildings, grounds, walks and drives, etc.

	1980 Actual	1981 Current Estimate	1982 Estimate	1982 vs 1981 Incr. (+) Decr. (-)
Travel & Transportation of Persons				
Employee Travel	$ 215,411	~~$ 273,000~~ $ 246,000	~~$ 270,000~~ $ 243,000	-$ 3,000
Local Travel	11,709	~~10,000~~ 9,000	~~10,000~~ 9,000	-
Total	$ 227,120	~~$ 283,000~~ $ 255,000	~~$ 280,000~~ $ 252,000	-$ 3,000

Travel costs include estimates for Central Office and Field personnel in connection with operation and inspection of national cemeteries and miscellaneous activities as well as procurement and inspection of headstones and markers. Also included are temporary travel and permanent change of station of cemetery directors and other employees.

Transportation of Things				
Household Goods	$ 107,642	$ 117,000	$ 117,000	-
Other Shipments	10,260	13,000	13,000	-
Total	$ 117,902	$ 130,000	$ 130,000	

Household goods are for transferring employees, principally cemetery directors, from one location to another. Other shipments consist of local drayage, shipment of materials and rental of trucks and other vehicles from commercial sources.

Rent, Communications and Utilities				
Telephone	$ 659,634	$ 796,000	$ 877,000	+$ 81,000
Telegraph & Teletype	23,589	28,000	32,000	+ 4,000
Electricity	245,798	289,000	348,000	+ 59,000
Water and Sewer	276,517	309,000	333,000	+ 24,000
Gas	46,792	60,000	69,000	+ 9,000
Other	108,620	128,000	141,000	+ 13,000
Total	$1,360,950	$1,610,000	$1,800,000	+$190,000

Communication increases represent primarily cost increases in FTS service and service for new cemeteries, as well as increased activity incident to verification of eligibility and burial of decedents. Utility increases are due to higher rates and increased requirements resulting from construction and development of additional land and also for service at new cemeteries.

	1980 Actual	1981 Current Estimate	1982 Estimate	1982 vs 1981 Incr. (+) Decr. (-)
Printing and Reproduction				
Forms & Form Letters....	$ 41,500	$ 38,000	$ 44,000	+$ 6,000
Other.....	61,338	42,000	51,000	+ 9,000
Total.....	$ 102,838	$ 80,000	$ 95,000	+$ 15,000

The items include operating and technical manuals and regulations as well as pamphlets and historical brochures distributed to next of kin, other relatives and the general public.

Other Services				
Maintenance of Equipment	$ 153,000	$ 174,000	$ 195,000	+$ 21,000
Maintenance of Buildings & Grounds.....	630,647	480,000	607,000	+ 127,000
Support of Field Offices	125,000	125,000	125,000	--
Graveliners.....	1,999,469	1,000,000	1,240,000	+ 240,000
Misc. Services.....	1,309,073	1,279,000	~~1,421,000~~ 1,419,000	+ 140,000
Total.....	$4,217,189	~~$3,060,000~~ $3,058,000	~~$3,588,000~~ $3,586,000	+$528,000

Included in Maintenance of Equipment is maintenance and repairs to sedans, busses, and trucks. Also for repairing lowering devices, mechanical grave excavators, tractors, backhoes, ditchers, mowers, generators and office machines. Maintenance of Buildings and Grounds involves over 300 buildings containing approximately 700,000 sq. ft., and acres of land divided among the 140 cemeteries and activities. Also covered are maintenance of roads, drives, parking lots and walks involving over a million and a quarter square yards; painting and pointing of walls, fences and gates; painting and cleaning flagstaffs, monuments and tablets. In FY 1980, 24,742 graveliners were installed and in 1981, it is estimated ~~11,700~~ 13,000 will be installed while in 1982 the estimate is ~~11,900~~ 14,200. In addition, provision is made for pruning, feeding and treating trees and shrubbery, for trash disposal service, rodent control and removal of rock (blasting) from burial sections. Increases are associated with additional interments and maintenance workload.

Supplies and Materials				
Flags & Halyards.....	$ 35,872	$ 35,000	$ 40,000	+$ 5,000
Office Supplies.....	40,000	45,000	55,000	+ 10,000
Fuel & Petroleum.....	408,625	420,000	462,000	+ 42,000
Operating Supplies.....	479,855	525,000	600,000	+ 75,000
Grounds Maintenance.....	879,153	695,000	945,000	+ 250,000
Miscellaneous Supplies..	81,728	65,000	70,000	+ 5,000
Total.....	$1,925,233	$1,785,000	$2,172,000	+$387,000

Flags and halyards include post and storm flags as well as grave decorating flags. Fuel and petroleum products are used in motor vehicles, road sweepers, fork lifts, power mowers, trimmers, and sod cutters, compressors, tampers, air brooms, tractors, sprayers, steam cleaners, soil shredders, etc. Supplies for grounds maintenance include fertilizer, grass seed, humus, salt hay, top soil, weed killers, lime, insecticides, oil spray, fungicides, mulches, rodent poison, etc. Miscellaneous supplies include paint, paint brushes, electric light bulbs, fuses, tires, tubes, batteries, spark plugs, cement, sand, gravel, hardware items, twine, axes, shovels, spades, picks, etc. Increases are associated with expanding workloads and anticipated higher costs.

	1980 Actual	1981 Current Estimate	1982 Estimate	1982 vs 1981 Incr. (+) Decr. (-)
Equipment				
Total Equipment.....	$ 927,526	~~$1,445,000~~ ~~$1,450,000~~	~~$1,932,000~~ ~~$1,937,000~~	+$487,000

This item includes the replacement of equipment no longer economically operable. The non-availability of repair parts, high labor and material costs are factors prohibiting economical repairs. Additional equipment included is needed and in consonance with the opening of new cemeteries and to provide service and maintenance in newly developed acreage and facilities in existing cemeteries. Vehicles include sedans, pickup trucks, dump trucks and stake trucks. Furniture and fixtures include typewriters, adding machines, calculators, office furniture and similar equipment. Utility and operating equipment includes grave excavating equipment such as air compressors, pneumatic hammers, backhoes, casket-lowering devices, tents, grass sets, power mowers, trimmers, sprayers, lawn and road sweepers, etc.

A. Replacement Equipment:

Passenger vehicles....	$ 30,861	$ 38,500	$ 11,000	-$ 27,500
Non-Passenger Vehicles	205,727	400,000	425,000	+ 25,000
Furniture & Fixtures..	29,430	20,000	25,000	+ 5,000
Utility & Operating Equipment.....	145,440	195,600	576,000	+ 380,400
Total.....	$ 411,458	$ 654,100	$1,037,000	+$382,900

1982 Replacement Vehicles

No.	Type	National Cemetery
~~3~~ 2	Sedans, Class II	Fort Gibson and Fort Leavenworth
2	Trucks, Pick-up, 1/2 ton	NMCP and Willamette
1	Truck, Pick-up, 3/4 ton	Long Island
1	Truck, Pick-up, 1-1/2 ton	Santa Fe
1	Truck, Cargo, 1/2 ton	Calverton
1	Truck, Panel, 1/2 ton	Calverton
1	Truck, Dump, 1-1/2 ton	Fort Logan
1	Truck, Dump, 2 ton	Houston
1	Van, 1-1/2 ton	Long Island
1	Truck, Crew Cab, 3/4 ton	Jefferson Barracks
1	Station Wagon	Golden Gate
2	UV-4 Trucksters, 1 cu. yd.	Jefferson Barracks (2)
1	UV-4 Truckster, 1 cu. yd.	Memphis
1	UV-4 Truckster, 1 cu. yd.	Mountain Home
1	UV-4 Truckster, 1 cu. yd.	Wilmington
1	Truck, Utility	Memphis
1	Dumpster, 3/4 cu. yd.	Wilmington
~~20~~ 21		

	1980 Actual	1981 Current Estimate	1982 Estimate	1982 vs 1981 Incr. (+) Decr. (-)
B. Additional Equipment:				
Passenger Vehicles	$ 10,286	$ 11,000	$ 16,500	+$ 5,500
Non-Passenger Vehicles ...	123,436	420,000	300,000	- 120,000
Furniture & Fixtures	54,655	~~50,200~~ $45,200	~~52,000~~ 47,000	+ 1,800
Automatic Data Processing Equipment	-	-	85,000	+ 85,000
Utility & Operating Equipment	327,691	314,700	446,500	+ 131,800
Total	$516,068	~~$725,900~~ $790,900	~~$900,000~~ $895,000	+$104,100

1982 Additional Vehicles

No.	Type	National Cemetery
3	Sedans, Class II	Quantico (2) and Jefferson Barracks (1)
3	Vans, 1 Ton	Calverton (2) and Massachusetts (1)
5	Trucks, Pickup, 1/2 Ton	Quantico (3), Massachusetts (1) and Fort Sam Houston (1)
1	Truck, Panel, 3/4 Ton	Quantico
1	Truck, Panel 1 Ton	Quantico
1	Truck, Utility, 1 Ton	Quantico
1	Truck, Stake, 1 1/2 Ton	Calverton
1	Truck, Tow, 1 1/2 Ton	Quantico
1	Truck, Dump, 2 Ton	Quantico
1	Truck, Dump, 2 Ton	Fort Sam Houston
1	Truck, Flat Bed, 2 1/2 Ton	National Memorial Cemetery of the Pacific
1/20	Retriever 5603 Power Sweeper	San Francisco

	1980 Actual	1981 Current Estimate	1982 Estimate	Incr (+) Decr (-) 1982 vs 1981
Land and Structures				
Replacement of Facilities	$166,064	$342,200	$ 980,000	+$ 637,800
Additional Facilities....	264,042	417,800	130,000	- 287,800
Total.....	$430,106	$760,000	$1,110,000	+$ 350,000

This item covers replacement of existing facilities and additional facilities required in connection with national cemetery lands and structures. Replacement items include roads, building roofs, ceilings, walls, heating systems, electrical services, water heaters, windows, etc. Additional items embrace storm windows, toilet facilities, screen fencing, heating units, landscaping, and extension of water facilities.

A. Replacement of Existing Facilities				
Buildings.....	$ 29,560	$ 89,000	$ 302,500	+$ 213,500
Fences, Walks & Gates..	25,906	10,000	65,000	+ 55,000
Roads & Walks.....	10,628	213,000	267,156	+ 54,156
Utility Systems.....	53,473	30,200	90,500	+ 60,300
Landscaping.....	46,497	-	254,844	+ 254,844
Total.....	$166,064	$342,200	$ 980,000	+$ 637,800
B. Additional Facilities				
Buildings.....	$ 25,903	$294,000	$ 55,000	-$239,000
Fences, Walks & Gates..	29,890	8,550	-	- 8,550
Roads & Walks.....	91,992	15,250	20,000	+ 4,750
Utility Systems.....	64,109	60,000	-	- 60,000
Landscaping.....	52,148	40,000	55,000	+ 15,000
Total	$264,042	$417,800	$130,000	-$287,800

Pertinent data including the location of each of the 107 National Cemeteries are shown on the following two pages.

LOCATION AND STATUS OF NATIONAL CEMETERY GRAVESITES
SPETEMBER 30, 1980

National Cemetery	Grave-sites used	Grave-sites reserved	a/ Grave-sites available	b/ Close out date (fiscal year)
Alexandria, LA	6,161	154	521	1987
Alexandria, VA	4,062	26	0	Closed
Alton, IL	489	38	6	Closed
Annapolis, MD	2,917	36	2	Closed
Balls Bluff, VA	25	0	0	Closed
Baltimore, MD	33,808	3,546	905	Closed
Barrancas, FL	12,534	593	4,075	1988
Bath, NY	8,711	0	1,558	1991
Baton Rouge, LA	5,017	59	177	Closed
Bay Pines, FL	4,224	1	1	Closed
Beaufort, SC	11,442	179	5,642	2000+
Beverly, NJ	36,283	4,299	7	Closed
Biloxi, MS	2,463	351	11,675	2000+
Black Hills, SD	6,072	472	55,202	2000+
Calverton, NY	12,988	0	358,177	2000+
Camp Butler, IL	8,340	330	8,042	2000+
Camp Nelson, KY	5,877	68	4,733	2000+
Cave Hill, KY	5,634	3	25	Closed
Chattanooga, TN	23,904	600	27,327	2000+
City Point, VA	5,480	83	36	Closed
Cold Harbor, VA	968	0	4	Closed
Corinth, MS	6,233	24	7,259	2000+
Crown Hill, IN	795	0	0	Closed
Culpeper, VA	4,600	17	5,410	1998
Cypress Hills, NY	18,561	61	82	Closed
Danville, IL	6,186	0	3,771	2000+
Danville, KY	393	1	5	Closed
Danville, VA	2,137	30	39	Closed
Dayton, OH	24,995	2	13,409	2000+
Fayetteville, AR	3,354	123	286	1983
Finn's Point, NJ	2,703	2	0	Closed
Florence, SC	4,481	72	213	1981
Ft. Bayard, NM	1,858	0	750	2000+
Ft. Bliss, TX	14,869	1,265	19,935	2000+
Ft. Gibson, OK	7,513	143	11,276	2000+
Ft. Harrison, VA	1,107	2	16	Closed
Ft. Leavenworth, KS	17,596	626	827	1982
Ft. Logan, CO	24,244	796	81,396	2000+
Ft. Lyon, CO	925	0	25,631	2000+
Ft. McPherson, NE	3,554	101	5,600	2000+
Ft. Meade, SD	188	0	27	Closed
Ft. Rosecrans, CA	44,141	2,397	50	Closed
Ft. Sam Houston, TX	37,937	3,296	22,158	2000+
Ft. Scott, KS	2,984	103	2,923	2000+
Ft. Smith, AR	5,479	233	3,094	2000+
Ft. Snelling, MN	69,812	14,498	149,266	2000+
Glendale, VA	1,308	0	3	Closed
Golden Gate, CA	97,200	8,814	0	Closed
Grafton, WV	2,079	50	2	Closed
Hampton, VA	20,919	497	227	Closed
Hampton, VA (VAC)	22	0	0	Closed
Hot Springs, SD	1,481	0	1	Closed
Houston, TX	12,018	36	205,444	2000+
Indiantown Gap, PA	0	0	295,137	Opens FY 1982
Jefferson Barracks	62,693	2,532	69,618	2000+
Jefferson City, MO	1,555	72	12	Closed
Keokuk, IA	2,531	65	10,276	2000+
Kerrville, TX	460	0	0	Closed
Knoxville, TN	7,335	252	181	Closed
Leavenworth, KS	13,742	2	31,948	2000+
Lebanon, KY	1,989	33	64	2000+
Lexington, KY	1,388	0	9	Closed
Little Rock, AR	15,747	346	1,832	1986
Long Island, NY	233,430	13,666	6,809	Closed
Los Angeles, CA	66,585	695	709	Closed

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LOCATION AND STATUS OF NATIONAL CEMETERY GRAVESITES
SEPTEMBER 30, 1980

National Cemetery	Gravesites used	Gravesites reserved	a/ Gravesites available	b/ Close out date (fiscal year)
Loudon Park, MD	6,491	5	126	Closed
Marietta, GA	16,281	436	124	Closed
Marion, IN	4,591	0	7,374	2000+
Massachusetts	0	0	210,500	2000+
Memphis, TN	28,983	641	4,497	1988
Mill Springs, KY	1,732	34	589	2000+
Mobile, AL	3,582	275	15	Closed
Mound City, IL	6,769	75	1,068	2000+
Mountain Home, TN	6,048	0	7,723	2000+
Nashville, TN	25,046	430	5,769	1995
Natchez, MS	4,907	59	266	1985
NMCP, HI	26,600	675	850	1982 c/
New Albany, IN	4,934	168	213	Closed
New Bern, NC	5,281	100	364	1983
Philadelphia, PA	10,367	41	15	Closed
Port Hudson, LA	6,231	32	930	1989
Prescott, AZ	2,965	0	1	Closed
Puerto Rico, PR	12,223	1,410	31,136	2000+
Quantico, VA	0	0	180,300	Opens FY 1983
Quincy, IL	457	1	120	2000+
Raleigh, NC	3,741	89	1,516	1991
Richmond, VA	7,219	269	11	Closed
Riverside, CA	7,370	0	174,795	2000+
Rock Island, IL	10,670	294	3,978	1994
Roseburg, OR	2,262	0	100	1981
St. Augustine, FL	1,159	24	0	Closed
Salisbury, NC	14,289	73	1,224	1993
San Antonio, TX	3,007	29	197	Closed
San Francisco, CA	22,806	718	3	Closed
Santa Fe, NM	12,038	455	10,006	2000
Seven Pines, VA	1,130	1	4	Closed
Sitka, AK	612	1	73	1982
Springfield, MO	7,293	241	709	1984
Staunton, VA	841	7	12	Closed
Togus, ME	5,371	0	0	Closed
White City, OR	1,458	0	22,188	2000+
Willamette, OR	51,236	2,367	42,538	2000+
Wilmington, NC	4,321	68	330	1983
Winchester, VA	5,046	39	33	Closed
Wood, WI	20,434	1	1,781	1988
Woodlawn, NY	6,251	239	31	Closed
Zachary Taylor, KY	8,365	1,154	176	Closed
TOTALS	1,416,933	72,141	2,165,495	

a/ Includes estimated gravesites in undeveloped areas and gravesites suitable for cremains only.

b/ Most cemeteries indicated as "Closed" will continue to make interments of eligible family members in occupied gravesites and previously reserved gravesites.

c/ 1982 casketed remains and 2000+ cremated remains.

NOTE: Above listing of 107 national cemeteries does not include planned cemeteries in Standard Federal Regions IV and V.

OFFICE OF DATA MANAGEMENT & TELECOMMUNICATIONS

INTRODUCTION

The Office of Data Management & Telecommunications (ODM&T) is the largest Staff Office within the Veterans Administration's organizational structure. ODM&T is under the direction of the Assistant Administrator for Data Management and Telecommunications, who also serves as the principal advisor to the Administrator on ADP and telecommunications policies and practices.

Program Description

The mission of the Office of Data Management & Telecommunications is to provide a complete range of automatic data processing (ADP) and telecommunications services to all Departments and Staff Offices of the Veterans Administration.

ADP services include (1) technical assistance and programing support to user offices in analyzing, designing, developing, testing, converting, installing and maintaining new computer applications and in modifying on-going computer applications; (2) operational support for on-going computer systems; (3) training for both the users and the ADP staffs; (4) equipment planning and acquisition; (5) development of systems software and operating systems; (6) development of standards for systems design and programing design; (7) operation of the data processing centers; (8) agency long range ADP planning; and (9) special studies of state-of-the-art computer applications and systems.

The telecommunications function provides VA-wide technical management and support for telecommunications systems, including telephone systems, teletype systems, hospital communications systems (nurse call, radio paging, closed circuit TV, etc.) and data transmission systems.

Currently, services are provided by a staff in VA Central Office, Washington, D.C. and five data processing centers located at:

Austin, Texas
Hines, Ill.
Los Angeles, Calif.
Philadelphia, Pa.
St. Paul, Minn.

Previously, services were also provided by a sixth data processing center located in Washington, D.C. This center was closed in September 1980, and the functions were transferred to the center in Austin.

Current planning is to establish a Centralized Development Center which will ultimately have the responsibility for all computer programing - both development of new systems and maintenance of old systems. This center is to be co-located with the Austin data processing center.

All of the consolidated nationwide computer processing and practically all of the computer programing is performed at these centers. Each center is also equipped and staffed according to services rendered, which range from providing ADP support on a local, regional or area basis to providing centralized processing on a VA-wide basis.

As of December 31, 1980, the data processing centers were operating a total of 30 computers. The computers range in size from small to large scale. Some are operated as single computers dedicated to a single program, while others are interfaced to permit sharing of storage media and other peripherals.

Program Activity

User Departments and Staff Offices no longer have systems development responsibilities. Late in FY1980, the Administrator authorized a realignment of ADP resources whereby the users responsibility in ADP would be confined to functional specifications , or what is to be accomplished by ADP; and ODM&T was assigned responsibility for systems development, design, programing, installation and operation - the how of accomplishment by ADP. It is to be noted that this realignment excludes specialized, unique medical systems. Responsibility for these systems resides with the Department of Medicine and Surgery.

The Office of Data Management & Telecommunications provides the users with the technical assistance and programing support to:

- 0 Conduct studies of their activities to determine automation potential and feasibility.
- 0 Evaluate the capability of new and existing equipment required to accomplish objectives.
- 0 Design and develop ADP systems for those areas determined feasible for automation.
- 0 Test, convert and install ADP systems.
- 0 Provide programing support for maintenance of on-going systems.
- 0 Audit and certify all computer programs.

In addition to the systems support, the Office of Data Management & Telecommunications operates the data processing centers and certain ADP activities within hospitals where applications have been installed to enhance service and support management in carrying out veterans program responsibility.

Highlights - Fiscal Year 1980

- 0 An uninterruptible power supply (UPS) was installed at the Philadelphia Data Processing Center, to provide a more reliable power supply for the computers at the Center. Smooth uninterrupted electrical power is crucial to the daily operation of the online benefits delivery systems at the Philadelphia, Hines, Austin, and Los Angeles Data Processing Centers.
- 0 A major VA computer and its storage devices were successfully moved from the Hines Data Processing Center to the Austin Data Processing Center. The large-scale computer system, with its greater speed, memory, and size, provides more data processing capacity for the operation of several critical centralized VA application systems.
- 0 Construction began on a new loading dock at the Hines (Chicago) Data Processing Center to provide for more efficient and safer receipt and storage of materials. The evaporative air conditioning system at the Center was also improved through the installation of a third cooling tower for greater capacity and reliability.
- 0 Comprehensive technical and management training started as part of the implementation of a structured project management methodology in the VA. Based on a widely-used commercial product, the methodology will result in better communications between designers and users, better systems documentation, and decreased risk in the development of new VA application software systems.
- 0 The Washington Data Processing Center was closed and its eighty applications were moved to the Austin VA Data Processing Center. Computing equipment at the closed Center was moved to other Centers, returned to vendors, or excessed through the General Services Administration.
- 0 Benefits Delivery Systems (Target) claims processing functions have been implemented at all regional offices (R.O.s). VA's 57 regional offices in the United States and Puerto Rico are now able to enter, process and retrieve claims data.
- 0 Education and C&P cycle processing have been installed on Honeywell equipment.
- 0 New Dependency and Income processing functions were implemented on Target to allow the regional offices the capability to handle improved Pension Awards. AIQ processing was also implemented to enable input of income information via the Target System.
- 0 The Education Chapter 32 Bank Inquiry was installed. This feature allows regional office personnel immediate access to information in a claimant's banking record via the regional office terminal.
- 0 A Computer Assisted Instruction (CAI) subsystem has been developed and is being used at the regional offices for training on both inquiries and claims processing.

- The Inventory Management System (TIMS) has been installed. This system provides for hardware inventory control and for assessment of damages to Honeywell for equipment failures.

- A study was completed to determine the utility of providing on-line processing capability for the Centralized Accounts Receivable System (CARS). This study is a result of changes to legislation governing VA operations and federal debt collection procedures. Interim plans have been developed to implement the new legislation within the capacity of the existing hardware in a batch mode.

- Honeywell 716 Clinical Laboratory Systems were successfully installed at Wadsworth, Miami, Durham and Long Beach VA Medical Centers.

- An automated system to support the Vietnam Veterans Readjustment Counseling Program (Outreach) was installed at the St. Paul DPC. Ninety-one outreach sites are currently supported by this system.

- A lifo (last-in-first-out) pricing structure was added to the Log I (Supply) System to provide profit to the revolving supply fund. Nonexpendable equipment logic of the Log I (Supply) System was expanded to provide multiple extracts of categorized equipment.

- A Social Work Automated Reporting System (SWARS) was developed and implemented at the Austin Data Processing Center. SWARS currently supports 26 VA medical centers.

- The Fee Basis System was modified to reduce the daily transmission volume by over 866,000 characters, representing a reduction of 33 percent. Savings for this innovation will be significant.

- To provide information for improving the quality of care rendered pacemaker recipients, the Cardiac Pacemaker Registry Computerized System was installed at the St. Paul DPC.

- A computer system was designed to support the VA's residential care home program requirements. Program development is currently underway at the Austin DPC.

- An Emergency Command and Control Radio Network for VA facilities in California has been completed, and the first phase of the final inspection completed. The system will be fully operational in early calendar 81.

- In continuing our efforts to upgrade VA Medical Centers' telephone service 15 contracts were awarded for installation of modern electronic telephone systems. Also, we have proceeded with engineering studies and have completed preparation of functional specifications for upgrading and replacing telephone systems at other selected VAMC's.

- Telephone facilities were installed to improve toll-free telephone service to enable veterans to call VA Regional Offices to obtain benefit information and assistance. These improvements involve purchase/lease and installation of special telephone equipment for terminating local, foreign exchange and 800 service lines.

- Efforts continued to implement provisions of the Civil Service Reform Act (CSRA) of 1978. The Senior Executive Service file was instituted within the Personnel Accounting Integrated Data (PAID) Pay System. The retained grade aspects of the CSRA were also installed in the PAID System.

- A terminal-oriented minicomputer system was installed at the Austin DPC to automate the input functions of the Centralized Accounting for Local Management (CALM) System. The Automated Input Design (AID) System has improved the efficiency and accuracy of financial information provided for monitoring station fiscal policy.

- Centralized Accounting System for Construction Appropriations (CASCA) was modified to provide teletype transmission of a daily status of funds report to field stations to generate VA facility data when new master records are established. In addition to a CASCA system reconciliation report, an SF224 Reconciliation Report and a CASCA/PAID General Ledger Reconciliation Report were produced. The CASCA/PAID reconciliation now takes two days less per month.

- The Construction Management Information System Master File was expanded to include additional data elements to enhance construction project monitoring capabilities. In addition, CRT access to this information was expanded to other agency managers with needs for construction program information.

- Formatted CRT data entry for the Facilities Planning System was installed and utilized by the Office of Construction and Department of Medicine and Surgery to develop construction project requirements. Steps were initiated for development of an Interactive Facilities Planning System.

- The Computer Aided Design/Computer Aided Review System was expanded to permit enhancements, standardize the detailed review of architects/engineers' drawings by the Estimating Staff, Requirements/Planning Staff, and Preliminary Planning Staff of the Office of Construction.

- The Complaint/Compliment Reporting System was installed during the last quarter of FY1980. This system provides the Consumer Affairs Staff of Planning and Program Evaluation with a mechanism for collecting, categorizing and reporting on complaints and compliments received from VA consumers (the veterans, their dependents and families).

- A micrographic application was initiated early in FY1980 in the DMA Cemetery Service. Over one million Record of Interments have been microfilmed for security and locator purposes. This is the first step towards developing a data file that will facilitate micrographic retrieval and reporting functions.

- A feasibility study for the Controlled Correspondence System was completed and approved during FY1980. When implemented, this system will provide the Administrator of Veterans Affairs with a cost effective means of tracking correspondence in a timely manner.

- Development of a District Counsel Nationwide Information Management System began with a review of thirteen District Counsel Officers' activities, followed by a Preliminary Study Report and a protocol for the feasibility study.

  The preliminary study, feasibility study and technical system design was completed for the General Counsel Administrative Tracking System.

- A significant part of the programming, testing and documentation was completed during FY1980 for AMIS Phase VII. This major redesign of input processing functions began in 1977 and is scheduled for implementation in FY1981.

Plans and Trends

- The ADP Security Program will be given increased priority with full implementation expected in FY1982.

- An upgrade study of data entry equipment will be completed at several DPCs. Recommendations are hoped to be implemented in FY1983.

- Improvement of the uninterruptible power supply (UPS) at the Los Angeles DPC will be completed to increase the capacity and availability of the guaranteed power supply now used. An addition of diesel-powered generators to the Hines (Chicago) uninterruptible power supply will enhance the present ability of the Data Processing Center to meet unexpected gaps in the regular power supply.

- A study of the management and technical impacts of data base management, with long-term recommendations for implementation of the new technique, will be accomplished late in FY1981. The implemented recommendations of the study will enable the VA to effectively use data base management systems (DBMS) in an effective manner during FY1982.

- Planning and staffing for a VA computer capacity management program will continue into FY1981. The program will provide important information for the VA long range ADP planning process, and help to increase the operating efficiency of the computer hardware and programs now in use at the DPCs.

- New Target functions are scheduled for installation which include Chapter 34/35 Minimum Input Processing, C&P and Special Condition Processing, and C&P Award Generation.

- The redesign of the Education, Compensation and Pension Systems will continue with implementation expected in FY1983.

- Complete the detailed technical design for the redesign of the VA Insurance System at the Philadelphia DPC. The redesigned system will incorporate many user requested modifications to the Insurance master record and utilize a data base environment to allow on-line inquiry capability.

- Continue the development of the detailed technical design, data base structure and conversion plans for the redesigned Beneficiary Identifications and Records Locator Subsystem (BIRLS). The redesign will meet increasing user data requirements, interface more efficiently with the Target System, and allow for future expansion of the master file in a much faster and efficient manner.

- Convert the current APPLES (automated pharmacy) to operate on VA owned minicomputers at various field stations.

- Acquire and install a terminal system at various health care facilities in order to operate a production Outpatient Pharmacy Support System. Approximately 18 health care facilities will be supported by the end of FY1982.

- Award a contract for an AHIS conversion; the converted system is expected to be installed at Washington VAMC in late FY1982.

- Redesign, upgrade and install a Centralized Engineering Management Information System.

- The three remaining Honeywell Clinlab systems will be upgraded from H-316 to H-716 during the second half of FY1981.

- The Social Work Automated Reporting System will be expanded to include all VAMCs.

- DM&T and DM&S will continue to work jointly toward the acquisition of an integrated Health Care Information System (HCIS) that will provide contemporary information storage, analysis, and retrieval capabilities to support the DM&S Health Care Delivery Mission.

- Award contracts to vendors relative to the RFP proposals received from industry for upgrading the Advanced Record System's Data Terminal Hardware and Communications Network Facilities at all VA stations.

- Engineering actions will be continued to complete the preparation of functional specifications and provide assistance in the procurement, installation, cutover and acceptance testing of 41 telephone systems scheduled for replacement within the next two years.

- Release three Requests for Proposals (RFP) to industry for terminal hardware, front end processors and lines facilities to support the APPLES Project at 156 VA Medical Centers and Clinics.

- The Feasibility Study for the redesign of the VA PAID System will begin. The study will encompass all aspects of VA Personnel, Manpower and Human Goals activities.

- Efforts continue to implement Civil Service Reform Act provisions by incorporating into the PAID System the Merit Pay aspects of the law and further development of the Race and Ethnic Data System (REDS). The REDS is being designed to comply with the Uniform Guidelines on Employee Selection Procedures and to evaluate the agency's Federal Equal Opportunity Recruitment Program (FEORP) activities.

- Develop an automated Budget Preparation System. The system will improve the process of initial preparation and required updates of budget schedules in support of the President's budget.

- Expand the capability and impact of the current Construction Management Information System (CMIS) beyond the senior program management forecasting and productivity management by providing mid-level management with a Service/Division level reporting tool to control project progress. It will provide senior level management control over current operating program, serve as a program-wide tool to provide resource needs, determine staffing and pre-inventory requirements and provide workload management.

- Implement an interface between the Construction Cost Analysis System (COCOA) and Budget System to enhance and complement the objective of the Construction MIS.

- A feasibility study, hardware acquisition and technical development to integrate the DMA Cemetery Service micrographic application with an automated system is scheduled. The system will provide better and faster service to the veteran/dependent, eliminate backlogs, insure priority of records, and more effectively utilize present resources.

- The Technical Design and Implementation phases for a proposed automated system for Management Services will be completed. Implementation of this system will assist the user in managing, controlling, maintaining and tracking all required tasks as outlined in the Service Request.

- Conduct a detailed mission needs and cost analysis study to determine if telecommunications via satellites is a viable alternative for the VA.

- Provide technical management during the contracting, planning and implementation of a Broadband Integrated Telecommunications System (BITS) for the VAMC, Little Rock, AR. From lessons learned, refine the BITS design and press forward for acceptance of BITS as standard for all new medical center construction.

- Install a dedicated minicomputer and terminal communications system in support of the Agent Orange Project. The VA is committed to obtaining and disseminating accurate data with regard to possible correlation between herbicide exposure and long-term effects on human health.

- Consolidate all systems development and maintenance resources in one centralized location. This will promote standardization in documentation and programming, increase responsiveness to user needs, and establish greater flexibility in resource management.

- Create a Manpower Tracking System for the Department of Medicine and Surgery. The reporting system will provide DM&S with a better, more useful method of tracking and allocating human resources. Collected information will also be available for usage in reports generated by DM&S and the Office of Manpower.

- Restructure the Centralized Accounts Receivable System to provide an on-line master file inquiry and data input capability. This will give the VA a single debt recovery system. Furthermore the enhancement is necessary to accommodate pending legislation which will triple the size of the present debt collection workload.

- Automate the existing manual method of writing and implementing VA regulations. This also includes providing reports to Congress and other government agencies.

- Continue with the development of an on-line fast response system to match receiving reports and invoices. This will increase Controller productivity and will lead to greater savings in discounts. This system is intended to interface with medical facilities.

- In line with the realignment of ADP resources within the Agency, plans are being prepared to establish within ODM&T a small group of employees who would be responsible for conducting the preliminary and feasibility studies for proposed ADP initiatives. This will permit better documentation and justification for future budget requests. Staffing for this group will be provided through reassignment of personnel within the VA, and will not create any overall staffing increases.

In addition to the foregoing automation objectives, the ODM&T FY1982 estimates include projections for training an estimated 30 employees in the Executive Development Program at a cost of $40,000. Also included are funds ($70,000) to cover participation in the Upward Mobility program which it is estimated will provide training to an equivalent of 6 manyears.

WORKLOADS

Workload units, along with actual and estimated volumes, are identified below which represent nine (9) different MIS summary level work units for which work measurement standards are presently in effect in the Office of Data Management & Telecommunications. These work units cover the Operations activities at our Data Processing Centers and are used to determine employment requirements for these activities.

WORKLOAD-SELECTED WORK UNITS	FY1980 ACTUAL	FY1981 ESTIMATED	FY1982 ESTIMATED
1. Computer Hours	84,013	86,553	85,344 ~~89,129~~
2. Records Keyed	14,880,014	14,433,614	13,177,975 ~~14,000,606~~
3. Analysis & Control Output Actions	135,749	139,821	139,016 ~~144,016~~
4. Administrative Actions	13,016,050	13,406,532	13,775,429 ~~13,808,728~~

Explanation of the foregoing workloads:

1. Includes production hours for large scale computers (IBM 360/40, IBM 360/65, Honeywell 66/60 and Honeywell 66/80).

2. Represents the number of records keypunched or keyed to tape (verification is 100%).

3. Represents the number of ADP jobs completed with all reports released.

4. Represents the number of pieces of outgoing mail processed (manual and mechanical).

PRODUCTIVITY ANALYSIS

The above work units produce Standard Manhours as follows:

	FY1980 Actual	FY1981 Estimated	FY1982 Estimated
Standard Manhours	1,820,287	1,789,053	1,706,781 ~~1,829,394~~

The Operations manhours available to produce the standard manhours are determined as follows:

Total Operations Employment	1,278	1,283	1,220 ~~1,332~~
Less: Central Office Overhead	-180	-179	-187
*Clinical Laboratory	-68	-68	-68
HCIS & Pharmacy	...	-16	-65
Net Available Manyears	1,030	1,020	~~1,019~~ 900

*Clinical Lab -- these manpower requirements represent maintenance of the existing clinical lab systems. For FY1981 this additional workload will be under the measurement system.

Productivity indicators have been computed for the current and budget years using the ratio of available manhours to standard manhours. A comparison of those ratios with a similar ratio for the past budget year is as follows:

Available Manhours	2,084,720	2,048,160	~~2,048,192~~ 1,814,400
Standard Manhours	1,820,287	1,789,053	~~1,829,394~~ 1,706,781
RATIO	114.5	114.4	~~111.5~~ 106.3
Productivity Index	100.0	100.1	~~102.7~~ 107.7
Percent of Change			
1980 - 1981		+.1	
1980 - 1982			~~+2.7~~ + 7.7

The productivity increase of .1% in FY1981 and ~~2.7%~~ 7.7% in FY1982 is attributed to operations methods and procedures improvements and an increase in the development of Engineered Labor Performance Standards at the Data Processing Centers.

The emphasis being placed on the Manpower Program of ODM&T has increased operational efficiency and manpower utilization throughout the organization. We are on schedule with our 5 year plan for 70% valid standards coverage. Our Manpower Program has increased the number of ODM&T personnel subject to work measurement standards from 44% (FY1979) to 51% (FY1980). A comprehensive Manpower Program of this nature will affect the productivity ratio by increasing the number of standard manhours to available manhours. The program will also highlight operational effectiveness and shifts in workload during the budget year.

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Changes from Original 1981 Budget Estimates

	FY 1981		
	Budget Estimate	Current Estimate	Increase (+) Decrease (-)
Average Employment.....	1,927	1,973	+46
Costs:			
Personal Svcs.....	$42,695,000	$47,216,000	$+4,521,000
Tvl & Trans of Persons.....	911,000	851,000 ~~939,000~~	-60,000 ~~+28,000~~
Trans. of Things.....	1,100,000	200,000	-900,000
Rents, Comm & Utilities.....	10,464,000	10,049,000	-415,000
Printing & Reproduction.....	1,900,000	1,900,000	...
Other Services.....	6,435,000	6,043,000 ~~6,114,000~~	-392,000 ~~-321,000~~
Supplies & Materials.....	2,470,000	2,502,000	+32,000
Equipment.....	6,743,000	5,749,000 ~~6,969,000~~	-994,000 ~~+226,000~~
Total Costs (Juris)	72,718,000	74,510,000 ~~75,889,000~~	+1,792,000 ~~+3,171,000~~
Common Svc. Adj.	-10,582,000	-11,689,000	-1,107,000
Total Costs (Net)	62,136,000	~~64,200,000~~ 62,821,000	~~+2,064,000~~ + 685,000
Reimbursements.....	-310,000	-310,000	...
Budget Authority.....	61,826,000	~~63,890,000~~ 62,511,000	~~+2,064,000~~ + 685,000

The current FY 1981 estimate is ~~$2,064,000~~ $ 685,000 more than our original submission to the Congress. The change in funding is attributable to:

October 1980 Pay Raise (Net)		+2,967,000
Pay Raise Absorption (Net)		- 450,000
ADP Realignment (Net)		+ 919,000
General REduction		-1,379,000
Congressional Action		-1,372,000
HCIS	-2,679,000	
Debt Collection	+ 657,000	
Medical Application	+ 900,000	
Training	- 250,000	
		~~+2,064,000~~ + 685,000

General Reduction: Equipment - 1,229,000; Consultants - 71,000; Travel - 88,000

The increase of 46 in average employment is attributable to 36 for ADP Realignment and 10 for Debt Collection.

With the exception of additional funding for the October 1980 pay raise and those changes necessitated by Congressional action, the only other change to the revised (March 1980) FY 1981 budget estimate is caused by the realignment of ADP resources within the Veterans Administration. This change does not affect the overall Veterans Administration budget, for compensating adjustments have been made by Office of Controller, Office of Construction, Department of Veterans Benefits and Department of Medicine and Surgery.

SUMMARY OF REVISED 1982 BUDGET ESTIMATES

	1980 ACTUAL	1981 JAN	1981 REV	1982 JAN	1982 REV
Average Employment	1,968	1,973	1,973	2,051	1,911
Costs:					
Personal Svcs.....	$43,545,663	$47,216,000	$47,216,000	$51,376,000	$48,376,000
Tvl & Trans of Persons.....	673,665	939,000	851,000	1,028,000	940,000
Trans of Things.....	211,036	200,000	200,000	443,000	443,000
Rents, Comm & Utilities ...	9,049,837	10,049,000	10,049,000	13,121,000	13,121,000
Printing & Reproduction...	1,826,743	1,900,000	1,900,000	2,243,000	2,243,000
Other Svcs.....	7,436,762	6,114,000	6,043,000	10,219,000	10,248,000
Supplies & Materials.....	2,689,488	2,502,000	2,502,000	3,847,000	3,847,000
Equipment.....	6,500,010	6,969,000	5,749,000	4,084,000	3,964,000
Total Costs (Juris.).....	71,933,204	75,889,000	74,510,000	86,361,000	83,182,000
Common Svc Adj (-).....	-10,581,516	-11,689,000	-11,689,000	-12,429,000	-12,429,000
Total Costs (net).....	61,351,688	64,200,000	62,821,000	73,932,000	70,753,000
Adj to Obligation	-5,467,044	...	...	...	...
Reimbursements.....	- 390,563	-310,000	-310,000	-310,000	-310,000
Budget Authority.....	55,494,081	63,890,000	62,511,000	73,622,000	70,443,000

Summary of Budget Request

A request for 1,911 average employment is projected in FY 1982 to carry out the functions of ODM&T. Funding is requested in the amount of $70,443,000 which is an increase of $7,932,000 over the FY 1981 estimates. This increase in costs is caused by:

- o Inflation of computer rent and maintenance and space charges
- o Increased printing, reproduction, supplies and materials for Pharmacy and Agent Orange
- o Increased vendor contracts for Pharmacy, Agent Orange and PAID
- o Increased computer maintenance and data transmission costs for Pharmacy
- o Decreases are partially offset by the planned transfer of the St. Paul DPC functions to other major DPCs.

Explanation of Increases and Decreases - 1982

	1980 Actual	1981 Estimate	1982 Estimate	Increase + Decrease -
Avg. Employment.....	1,968	1,973	~~2,051~~ 1,911	~~+78~~ -62
Personal Svcs.....	$43,545,663	$47,216,000	~~$51,376,000~~ $48,376,000	~~+$4,160,000~~ +$1,160,000

Employment in ODM&T falls into two broad categories, "Systems Activities" and "Operations Activities". The average employment for these categories is as follows:

Systems Activities...	690	690	~~715~~ 691	~~+25~~ +1
Operations Activities	1,278	1,283	~~1,332~~ 1,220	~~+49~~ -63
Total.....	1,968	1,973	~~2,051~~ 1,911	~~+78~~ -62

Systems employment provides user departments and staff offices with ADP technical assistance and programing support. Employees engaged in Systems activities are primarily systems analysts, computer programers and systems auditors.

Operations employment is used to provide the departments and staff offices in the Veterans Administration with operational support for their automated systems and to administer an agency-wide telecommunications program. Employees engaged in Operations activities are primarily computer operators, peripheral equipment operators, tape librarians, key entry operators, telecommunications specialists, coding clerks and administrative support personnel.

With the realignment of ADP resources within the Agency, we have reclassified the central office personnel along job title lines rather than functional lines. Therefore, many of those personnel who were functionally classified in previous submissions as Operations are now classified as Systems.

The ~~increase~~ decrease of ~~49~~ 63 in Operations is attributable to: ~~work on the Pharmacy System~~ Pharmacy System +49 Closing St. Paul DPC -112 -63

The increase of 29 in Systems is attributable to:

Pharmacy System	17
Health Care Information System	15
Agent Orange	4
Manpower Tracking System	2
Management Services Support	8
PAID Redesign	15
Construction Management Information System	8
Dept. of Memorial Affairs Support	8
Automated Budget	2
Debt Collection	4
ODM&T Applications	3
Centralized Development Center	-57
Closing St. Paul DPC	~~-25~~ -38

	1980 Actual	1981 Estimate	1982 Estimate	Increase + Decrease - 82 vs 81
Tvl & Trans of Persons				
Employee Travel.....	$619,558	~~$899,000~~ $811,000	$ ~~988,000~~ 900,000	$+ 89,000
Local Travel.....	54,107	40,000	40,000	...
Total.....	673,665	~~$939,000~~ $851,000	~~1,028,000~~ $940,000	+ 89,000

Employee travel cost represents estimated funding for ADP training, and travel needed by the Technical Assistance Staff in providing the ADP user departments with the technical help requested. Also included are travel requirements by the Telecommunications Service in servicing the Agency's field stations, travel for supervisory visits to data processing centers and travel in connection with permanent transfer of employees.

	1980 Actual	1981 Estimated	1982 Estimated	Increase + Decrease - 82 vs 81
Trans of Things				
Parcel Post	154	...	...	...
Shipment of Household Goods	65,555	67,000	267,000	+200,000
Other Shipments	145,327	133,000	176,000	43,000
Total	211,036	200,000	443,000	+243,000

Shipment of household goods is for costs incurred by employees in the transportation of their furniture in moving from one location to another on permanent assignment at the convenience of the government. The increase is caused by greater than normal transfers to establish the Centralized Development Center in Austin.

Other shipment costs consist of expenses in conjunction with the shipment of computers and components, magnetic tape, tabulating cards and paper, and miscellaneous equipment and supplies.

Rents, Communications & Utilities				
Lease of Computer Equipment	1,504,687	1,211,000	1,588,000	+377,000
Mail Costs	2,755,055	4,125,000	4,307,000	+182,000
FTS Costs	567,140	600,000	647,000	+ 47,000
ARS Costs	216,902	150,000	200,000	+ 50,000
Other Communications & Data Transmission Costs	856,629	931,000	2,047,000	+1,116,000
SLUC & Recurring Reimbursable Costs	2,742,546	2,592,000	3,751,000	+1,159,000
Other Rental	406,878	440,000	581,000	+141,000
Total	9,049,837	10,049,000	13,121,000	+3,072,000

Lease of Computer Equipment

Computer lease costs consist of costs for printers, optical scanning equipment, tape subsystems, disk subsystems and miscellaneous peripheral devices at the data processing centers. The increase in FY 1982 is due to the inflationary impact on the vendors' lease charges.

Other Rents, Communications & Utilities

Mail costs are projected on the basis of periodic samplings of actual volume handled, along with estimates of additional volume. Charges are established by the Postal Service. The increase in FY 1982 is to bring our estimates in line with the latest samplings.

FTS and ARS communications service is provided by the General Services Administration. Charges are based on rates prescribed by GSA and funds are projected accordingly. A projected increase in volume and unit cost accounts for the FY 1982 increase.

Other communications and data transmission costs are primarily for leased lines and terminals used principally to transmit data between the data processing centers and the communications network for ADP support of the Pharmacy System, as well as rental of commercial telephone equipment and associated use charges. The increase in FY 1982 is attributable to the Pharmacy System network and increased commercial charges.

Standard Level User Charges (SLUC) consist of costs to reimburse GSA for space occupied by our data processing centers. Rates vary according to the quality rating of the building, the type of space required and the geographic location of the DPCs.

Recurring Reimbursable service charges are for those services that are in excess of those provided the average tenant on an 8 hour day, 5 day week. This includes the cost of special air conditioning, heating, lighting, cleaning and guard or security service.

We have been advised that our charges for SLUC and Recurring Reimbursables will increase substantially when our agreements with GSA expire in FY 1981. This, coupled with the fact that additional space must be provided at the Austin DPC to house the Centralized Development Center, accounts for the increase in FY 1982.

Other rental funds are for office machines, electrical accounting machines, photocopy machines, microfilming and other miscellaneous rental requirements. The increase in FY 1982 is attributable to increased rental costs for the items and increased use of word processing equipment.

	1980 Actual	1981 Estimate	1982 Estimate	Increase + Decrease - 82 vs 81
Printing & Reproduction				
Special Cards & Paper.....	$1,580,216	$1,600,000	$1,943,000	$+343,000
Other Printing & Reproduction.....	246,527	300,000	300,000	...
Total.....	1,826,743	1,900,000	2,243,000	+343,000

Special cards and paper consist of tabulating cards and paper that are not available as standard items and must be printed to VA specifications. Almost half of the cards and paper used for data processing in the Veterans Administration fall in this category. The increase in FY 1982 is caused by the impact of inflation on the cost of paper.

Other printing and reproduction includes costs for forms and form letters, printed envelopes and reproduction costs for administrative issues and manuals issued by the Office of Data Management & Telecommunications.

	1980 Actual	1981 Estimate	1982 Estimate	Increase + Decrease - 82 vs 81
Other Services				
Maintenance of Owned Equipment.....	$3,771,206	$3,856,000	$5,668,000	$+1,812,000
Outside Computer Svc....	400,001	100,000	658,000	+558,000
Training.....	444,924	233,000	552,000	+319,000
Software.....	2,391,464	1,342,000 ~~1,413,000~~	2,858,000 ~~2,829,000~~	+1,516,000 ~~+1,416,000~~
Misc.....	429,167	512,000	512,000	...
Total.....	7,436,762	6,043,000 ~~6,114,000~~	10,248,000 ~~10,219,000~~	$4,205,000 ~~4,105,000~~

Maintenance costs for owned automatic data processing equipment are based on contracts that are negotiated each year with firms providing this service. The increased costs in FY 1982 are attributable to maintaining the VA-owned computers used in processing the Pharmacy System and Agent Orange, and increased charges from the vendors supplying maintenance services.

Outside Computer Service provides for rental of computer time to process overload work conditions, and to provide vendor contracts for data entry services when the volume precludes in-house processing. The increase in FY 1982 is required for vendor contract(s) for data entry to establish the voluminous file required by Agent Orange.

Training costs are for certain ADP training for the VA that is arranged for and funded by the Office of Data Management & Telecommunications. This includes training that an ADP user department or office may require in connection with the design and development of new systems. Also included are funds for the Executive Development Program. Budget Constraints substantially decreased our FY 1981 request. The increase in FY 1982 is required to restore training to its normal level, plus provide for training associated with the Pharmacy System and Agent Orange.

Software contract projections are consistent with the need for this type of service from available sources in those instances when in-house capabilities are insufficient, and for lease, purchase and maintenance of proprietary software packages. The increase in FY 1982 is attributable to the requirement for vendor technical support and contract programing support associated with HCIS, Agent Orange and PAID Redesign.

Miscellaneous service costs include funding for office machine maintenance contracts, first aid health services and other miscellaneous service contracts.

	1980 Actual	1981 Estimate	1982 Estimate	Increase + Decrease - 82 vs 81
Supplies & Materials				
Standard Tab Cards & Paper.....	1,332,987	1,000,000	1,769,000	+769,000
Magnetic Tape.....	358,045	360,000	281,000	- 79,000
Other Operating & Office Supplies....	998,456	1,142,000	1,797,000	+655,000
Total.....	2,689,488	2,502,000	3,847,000	+1,345,000

Tabulating cards and pin feed paper which are not specially printed or assembled to VA specifications and are available as standard items are projected in direct relationship to the volume of workload on the computers. It is projected that the requirements for the Pharmacy System, HCIS and Agent Orange will cause increased use of standard tab cards and paper. Further, the impact of inflation on paper costs will increase funding requirements for these items.

Funds for magnetic tape consist of the requirements for new applications, plus the need to transfer data to new tapes from those tapes that have reached an age requiring replacement.

Funds projected for other operating and office supplies are for microfilming supplies and chemicals, computer printer ribbons, reproduction paper, technical books and journals, general office supplies and items of furniture that are classed as expendable. Increased costs of operating and office supplies account for the increase, along with additional costs for microfilming supplies and chemicals brought about by increased use of computer output microfilm.

	1980 Actual	1981 Estimate	1982 Estimate	Increased + Decreased - 82 vs 81
Equipment				
Computer/Components.....	$6,202,308	~~$6,670,000~~ $5,578000	$1,951,000	~~$-4,727,000~~ $-3,627,000
Other.....	297,702	~~291,000~~ 171,000	~~2,133,000~~ 2,013,000	~~+1,842,000~~ 1,842,000
Total.....	6,500,010	~~6,969,000~~ 5,749,000	~~4,084,000~~ 3,964,000	~~-2,885,000~~ $-1,785,000

The funding for computer equipment in FY 1981 is for purchase of a new computer system for BIRLS, additional peripheral components for the Insurance System and computer output microfilm and peripheral components for Debt. Collection.

The $1,951,000 requested in FY 1982 is for purchase of a minicomputer system for Agent Orange and peripheral components for CARS.

Other equipment purchases consist of telecommunications equipment, cabinets, calculators, key entry units, typewriters, duplicating machines, magnetic tape storage racks and cabinets, decollators, collators, projectors and cassettes, and other miscellaneous operating and office equipment. The increase in FY 1982 is for purchase of modems and terminals for the communications network associated with the Pharmacy System.

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OFFICE OF DATA MANAGEMENT & TELECOMMUNICATIONS
GENERAL OPERATING EXPENSES
DISTRIBUTION OF APPLIED COSTS
ACTUAL COSTS BY PROGRAM AND OBJECT - FISCAL YEAR 1980

		Personal Services & Benefits			Contractual Services & Supplies									
	AVG. EMPL.	PERSONNEL COMPENSATION	PERSONNEL BENEFITS	TOTAL PERS. SERVICES & BENEFITS	TRAVEL & TRANS. OF PERSONS	TRANS. OF THINGS	RENTS, COMM. & UTILITIES	PRINTING & REPRODUCTION	OTHER SERVICES	SUPPLIES & MATERIALS	ACQUISITION OF CAPITAL ASSETS	BUDGETED COSTS (JUNIS)	COMMON SERVICE ADJ. (-)	BUDGETED COSTS (NET)
Total Employment and Costs	1,968	$39,747,541	$3,798,122	$43,545,663	$673,665	$211,036	$9,049,837	$1,826,743	$7,436,762	$2,689,488	$6,500,010	$71,933,204	$10,581,516	$61,351,688
Common Services Adjustment		-8,364,588	-682,104	-9,046,692		-42,960	-189,240	-646,391	-307,200	-349,032		-10,581,516		
Total Net Budgeted Costs		$31,382,953	$3,116,018	$34,498,971	$673,665	$168,076	$8,860,597	$1,180,351	$7,129,562	$2,340,456	$6,500,010	$61,351,688		$61,351,688

ESTIMATED COSTS BY PROGRAM AND OBJECT - FISCAL YEAR 1981

Total Employment and Costs	1,973	$43,048,000	$4,168,000	$47,216,000	$939,000	$200,000	$10,049,000	$1,900,000	$6,114,000	$2,502,000	$6,969,000	$75,899,000	$11,689,000	$64,200,000
Common Services Adjustment		-9,383,000	-771,000	-10,154,000		-43,000	-190,000	-646,000	-307,000	-349,000		-11,689,000		
Total Net Budgeted Costs		$33,665,000	$3,397,000	$37,062,000	$939,000	$157,000	$ 9,859,000	$1,254,000	$5,807,000	$2,153,000	$6,969,000	$64,200,000		$64,200,000

ESTIMATED COSTS BY PROGRAM AND OBJECT - FISCAL YEAR 1982

Total Employment and Costs	2,051	$46,003,000	$5,376,000	$51,376,000	$1,028,000	$443,000	$13,121,000	$2,243,000	$10,219,000	$3,847,000	$4,084,000	$86,361,000	$12,429,000	$73,932,000
Common Services Adjustment		-9,609,000	-784,000	-10,393,000		-43,000	-297,000	-704,000	-427,000	-565,000		-12,429,000		
Total Net Budgeted Costs		$36,391,000	$4,592,000	$40,983,000	$1,028,000	$400,000	$12,824,000	$1,539,000	$ 9,792,000	$3,282,000	$4,084,000	$73,932,000		$73,932,000

DEPARTMENT OF VETERANS BENEFITS

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DEPARTMENT OF VETERANS BENEFITS

Introduction

The Department of Veterans Benefits is under the direction of Chief Benefits Director who serves as the principal advisor to the Administrator on non-medical veteran benefit matters.

Program Description

The Department of Veterans Benefits administers an integrated program of veteran benefits consisting of Compensation, Pension, Education, Insurance, Loan Guaranty, Guardianship, Vocational Rehabilitation, Counseling and Veterans Assistance activities.

Program Activities:

The Department effectively administers this broad range of benefits to veterans and other eligible beneficiaries through 59 regional offices or medical/regional office centers. These stations are distributed nationwide (at least one office in every state plus the District of Columbia, Puerto Rico and the Philippines) and most provide the full range of veterans benefits.

These benefits include compensation for service-connected disabilities; pension for the aged, needy and unemployable veterans; vocational rehabilitation assistance; educational and training assistance; home buying assistance; estate protection services for veterans under legal disability; and information and assistance through personalized contacts.

Highlights Fiscal Year 1980

- Payments for compensation and pensions to veterans and dependents during the year amounted to over $11.2 billion.
- Veterans, dependents and survivors visiting or telephoning veterans assistance offices exceeded 17 million.
- Adjudication action was completed on about 2.7 million compensation or pension claims filed by or on behalf of veterans or dependents.
- 297,447 loans were guaranteed. Of these, 33,000 loans were closed in which the veterans used restored entitlement, a 15% decrease from 1979.
- All regional offices and medical/regional office centers are now operating under the inquiry and update functions of the Target System.
- Holders reported 138,323 GI loan defaults, as compared to 120,284 during FY 1979, reflecting the increased exposure incident to the high volume of loans closed over the past several years. Nevertheless, VA supplemental servicing managed to restrict the number of claims to 11,048 a 16% decrease from FY 1979.
- The VA inventory of acquired properties stood at 9,023 at the end of FY 1980, a decrease of 4.5% from the 9,453 in inventory at the end of FY 1979. During FY 1980, 11,828 properties were sold, a decline from the 14,722 sales in FY 1979. The 1980 end of year inventory was the lowest experienced in the program since 1960.
- As part of the Department's debt collection effort, we are screening veterans' applications for home loan benefits prior to approval to determine the existence of an outstanding overpayment of education assistance benefits or a defaulted education loan. Cash collections to date have been $8,467,690 which represents 51.5% of the total indebtedness. Based upon established repay plans and offset resulting from reentrance into training, an additional $2,123,670 in collections can be anticipated.

Plans and Trends

Vocational Counseling and Rehabilitation divisions or staffs have been established in all regional offices and medical/regional office centers across the country. A detailed justification is provided in a separate section in this submission.

During FY's 1981 and 1982 increased emphasis will be placed on the debt collection activities in this Department. This is in line with the requirements of PL 96-466, which prescribes an integrated Agency approach to this problem also involving resources in the offices of the Controller and the General Counsel.

Compliance surveys and field examinations in 1981 and 1982 will exceed the levels attained in 1980.

Training of employees will continue to be emphasized in 1982 through two separate programs -- Upward Mobility and Executive Development. Upward Mobility provides for the establishment of training and education programs designed to provide a maximum opportunity for employees to advance so as to perform at their highest potential. For this program, $250,000 is included in the estimate. Executive Development is an effort to ensure improved systems within the Department for the selection, counseling, development and utilization of career executives, senior executive personnel and non-SES supervisory employees. Included in the estimate for this program is $320,000. Within this total, $220,000, is provided for the Senior Executive Service (SES) program.

DEPARTMENT OF VETERANS BENEFITS

Summary of Budget Estimate

	FY 1980 Actual	1981 January Budget	1981 March Budget	1982 January Budget	1982 March Budget
Personnel compensation ...	$300,718,584	$322,694,000	$317,294,000	$317,401,000	$283,237,000
Personnel benefits	30,548,902	32,720,000	32,191,000	32,202,000	28,854,000
Total personal services and benefits	331,267,486	355,414,000	349,485,000	349,603,000	312,091,000
Employee Travel	2,596,824	3,212,000	2,862,000	3,302,000	2,981,000
All Other Travel	2,842,548	3,045,000	2,755,000	3,080,000	2,760,000
Transportation of things .	827,855	1,150,000	1,450,000	1,025,000	1,025,000
Rents, communications and utilities	58,475,881	63,339,000	63,339,000	68,709,000	56,539,000
Printing and reproduction.	4,416,029	4,416,000	4,416,000	4,416,000	4,416,000
Other services	35,408,391	34,798,000	29,550,000	32,401,000	22,921,000
Supplies	4,722,757	4,720,000	4,720,000	4,720,000	4,720,000
Equipment	412,482	1,500,000	1,193,000	1,850,000	1,543,000
Total Costs	440,970,253	471,594,000	459,770,000	469,106,000	408,996,000
Common service adjustment 1/	-3,522,984	-3,441,000	-3,441,000	-3,473,000	-3,473,000
Net costs	437,447,269	468,153,000	456,329,000	465,633,000	405,523,000
Change in selected resources	-2,322,366	...	...	...	...
Obligations	435,124,903	468,153,000	456,329,000	465,633,000	405,523,000
Reimbursements	-1,850,436	-1,000,000	-1,000,000	-1,000,000	-1,000,000
Appropriation estimate	$433,274,467	$467,153,000	$455,329,000	$464,633,000	$404,523,000

1/ Department of Veterans Benefits provides Management, Finance and Administrative services to the Department of Medicine and Surgery at Regional Office - Hospital Centers. "Common Services" amounts reflect the costs of these services.

Summary of Budget Request

The 1982 request of $404,523,000 is $50,806,000 less than 1981 and will support an average employment of 14,521 which is a reduction of 1,879 from 1981. Employment estimates for 1981 and 1982 reflect projected savings due to implementation of the inquiry and update functions of the Target System now being fully utilized nationwide. Additional savings will be achieved as a result of reductions in some program activities and by possible regionalization of operations involving delivery of benefits.

1982 Budget Amendment

	FY 1980	1981 January Budget	1981 March Budget	1982 January Budget	1982 March Budget
	Average Employment				
Executive Direction.....	472	454	440	454	400
Veterans Services.....	4,039	3,372	3,300	3,186	2,804
Compensation, Pension & Education.....	5,540	5,428	5,350	5,231	4,730
Loan Guaranty.....	2,349	2,322	2,300	2,162	1,844
Insurance.....	494	490	475	490	450
Vocational Rehabilitaion and Counseling Service	...	621	566	681	566
Office Services.....	4,020	4,078	3,969	4,117	3,727
Total Average Employment	16,914	16,765	16,400	16,321	14,521

Rev. 1-96;1-97

Change from original 1981 Budget Estimate

	Budget Estimate	Current Estimate	Increase(+) Decrease(-)	
Personnel compensation	$301,117,000	~~$317,294,000~~	~~+16,177,000~~	
Personnel benefits	31,723,000	~~$323,694,000~~	~~+21,577,000~~	
Total personal services and benefits	332,840,000	~~32,720,000~~ 349,485,000	~~997,000~~ +22,574,000	+ 469,000 +16,645,000
Employee Travel	3,212,000	~~355,414,000~~		
All Other Travel	2,775,000	~~3,212,000~~ 2,862,000	...	- 350,000
Transportation of things ...	1,500,000	~~3,045,000~~ 2,755,000	~~270,000~~	- 20,000
Rents, communications and utilities	66,294,000	~~1,150,000~~ 1,450,000	~~360,000~~	- 50,000
Printing and reproduction ..	4,210,000	63,339,000	- 2,955,000	
Other Services	22,810,000	4,416,000	+ 206,000	
Supplies	3,870,000	~~34,798,000~~ 29,550,000	~~11,988,000~~	+6,749,000
Equipment	500,000	4,720,000	+ 850,000	
		~~1,500,000~~ 1,193,000	~~1,000,000~~	+ 693,000
Total Costs	438,011,000	~~471,594,000~~ 459,770,000	~~33,583,000~~	+ 21,759,000
Common Service adjustment	-3,580,000	-3,441,000	+ 139,000	
Net Costs	434,431,000	~~468,153,000~~ 456,329,000	~~33,722,000~~ +21,898,000	
Change in selected resources	...	...	...	
Obligations	434,431,000	~~468,153,000~~ 456,329,000	~~33,722,000~~	+21,898,000
Reimbursements	-1,000,000	-1,000,000	...	
Appropriation estimate	$433,431,000	~~$467,153,000~~ $455,329,000	~~$33,722,000~~	+21,898,000
Average employment (jurisdictional)	16,759	~~16,765~~ 16,765	+ 6	
Original FY 1981 estimate ..			$433,431,000	
o Congressional action/(excl. debt collection)			+ 10,443,000	
o Payraise effective October 5, 1980			+ 29,160,000	
o ADP Realignment			- 397,000	
o Expansion of debt collection activity			+ 849,000	
o Payraise absorption			~~- 6,333,000~~	18,157,000
Current FY 1981 Requirements			~~$ 467,153,000~~	$455,329,000

The net increase of 6 in average employment is the result of an additional FTE authorization for debt collection activities (+52) offset by interdepartmental reprogramming (-33) and Congressional action on the initial appropriation request (-13). The current estimate shows a net increase of $33,722,000 over the original budget request. The increases are due to payroll increases for the October 1980 payraise ($29,160,000) and restoration of funds for State Approval agencies ($8,800,000) and guidance center counseling ($2,219,000) offset by reductions of $576,000 resulting from Congressional action on the appropriation request. In addition, increased costs are projected for expanded debt collection activities ($849,000), reimbursement for GSA vehicles ($270,000), printing and reproduction ($206,000), supplies ($850,000), equipment ($1,000,000) FTS ($147,000), mail ($350,000) and miscellaneous services ($969,000). Major reductions are reflected in Parcel Post ($350,000), ARS charges ($2,319,000) and other communications ($1,571,000) as well as the cost of partial absorption of the October 1980 payraise ($6,333,000).

The FY1981 January requirements were amended to reflect an employment reduction of 365 and $5,929,000 in payroll costs due to the employment freeze. In addition, decreases of $649,000 in travel, $1,419,000 in fee basis counseling, $3,890,000 in payments to states and $307,000 in equipment, offset against increases of $300,000 in shipment of household goods and $61,000 in the reporting allowance.

DEPARTMENT OF VETERANS BENEFITS
DISTRIBUTION OF APPLIED COSTS
ACTUAL COST BY PROGRAM AND OBJECT – FISCAL YEAR 1980

PROGRAM	AVERAGE EMPLOYMENT DVB	11 PERSONNEL COMPENSATION	12 PERSONNEL BENEFITS	10 TOTAL PERS. SERVICES & BENEFITS	20 – CONTRACTUAL SERVICES AND SUPPLIES: 21 TRAVEL AND TRANS. OF PERSONS	22 TRANSPORTATION OF THINGS	23 RENTS, COMM. & UTILITIES	24 PRINTING & REPRODUCTION	25 OTHER SERVICES	26 SUPPLIES & MATERIALS	30 ACQUISITION OF CAPITAL ASSETS	BUDGETED COSTS (JURISDICTION)	COMMON SERVICE ADJUSTMENT	BUDGETED COSTS NET
EXECUTIVE DIRECTION	472	13,000,717	1,488,869	14,489,586	355,703				2,993			14,848,282	1,258,992	13,589,290
VETERANS SERVICES	4,039	79,060,646	8,091,680	87,152,326	1,967,499				4,715,268			93,820,093		93,820,093
COMPENSATION, PENSION & EDU.	5,540	103,387,779	10,192,190	113,579,969	338,279				21,026,701			134,944,949		134,944,949
LOAN GUARANTY	2,349	43,032,934	4,400,752	47,433,686	538,025				1,993,700			49,965,411		49,965,411
INSURANCE	494	7,884,672	756,166	8,640,838	5,617							8,646,455		8,646,455
OFFICE SERVICES	4,020	54,351,836	5,619,245	59,971,081	2,249,249	827,855	58,475,881	4,416,029	7,869,729	4,722,757	412,482	138,745,063	2,263,992	136,481,071
TOTAL EMPLOYMENT & COSTS	16,914	300,718,584	30,548,902	331,267,486	5,439,372	827,855	58,475,881	4,416,029	36,408,391	4,722,757	412,482	440,970,253	3,522,984	437,447,269
COMMON SERVICE ADJUSTMENTS (–)		3,069,984	268,000	3,337,984			123,000		12,000	30,000		3,522,984		
TOTAL NET BUDGETED COSTS	16,914	297,628,600	30,280,902	327,909,502	5,439,372	827,855	58,352,881	4,416,029	36,396,391	4,692,757	412,482	437,447,269		437,447,269

ESTIMATED COST BY PROGRAM AND OBJECT – FISCAL YEAR 1981

EXECUTIVE DIRECTION	454	13,507,000	1,558,000	15,065,000	320,000				3,000			15,388,000	1,220,000	14,168,000
VETERANS SERVICES 1/	3,993	85,191,000	8,794,000	93,985,000	2,671,000				2,419,000			99,075,000		99,075,000
COMPENSATION, PENSION & EDU.	5,428	109,523,000	10,885,000	120,408,000	327,000				22,770,000			143,505,000		143,505,000
LOAN GUARANTY	2,322	45,070,000	4,646,000	50,716,000	565,000				2,000,000			53,281,000		53,281,000
INSURANCE	490	8,415,000	802,000	9,217,000	4,000							9,221,000		9,221,000
OFFICE SERVICES	4,078	59,968,000	6,035,000	66,023,000	2,370,000	1,150,000	63,339,000	4,416,000	7,806,000	4,720,000	1,500,000	151,124,000	2,221,000	148,903,000
TOTAL EMPLOYMENT & COSTS	16,765	322,694,000	32,720,000	355,414,000	6,257,000	1,150,000	63,339,000	4,416,000	34,798,000	4,720,000	1,500,000	471,594,000	3,441,000	468,153,000
COMMON SERVICE ADJUSTMENTS (–)		3,020,000	249,000	3,269,000			130,000		14,000	28,000		3,441,000		
TOTAL NET BUDGETED COSTS	16,765	319,674,000	32,471,000	352,145,000	6,257,000	1,150,000	63,209,000	4,416,000	34,784,000	4,692,000	1,500,000	468,153,000		468,153,000

ESTIMATED COST BY PROGRAM AND OBJECT – FISCAL YEAR 1982

EXECUTIVE DIRECTION	454	13,639,000	1,571,000	15,210,000	320,000				3,000			15,533,000	1,232,000	14,301,000
VETERANS SERVICES 2/	3,867	83,485,000	8,627,000	92,112,000	2,746,000				1,200,000			96,058,000		96,058,000
COMPENSATION, PENSION & EDU.	5,231	106,861,000	10,624,000	117,485,000	327,000				21,815,000			139,627,000		139,627,000
LOAN GUARANTY	2,182	43,414,000	4,385,000	47,799,000	565,000				2,000,000			50,364,000		50,364,000
INSURANCE	490	8,497,000	811,000	9,308,000	4,000							9,312,000		9,312,000
OFFICE SERVICES	4,117	61,505,000	6,184,000	67,689,000	2,420,000	1,025,000	68,709,000	4,416,000	7,383,000	4,720,000	1,850,000	158,212,000	2,241,000	155,971,000
TOTAL EMPLOYMENT & COSTS	16,321	317,401,000	32,202,000	349,603,000	6,382,000	1,025,000	68,709,000	4,416,000	32,401,000	4,720,000	1,850,000	469,106,000	3,473,000	465,633,000
COMMON SERVICE ADJUSTMENTS (–)		3,050,000	251,000	3,301,000			130,000		14,000	28,000		3,473,000		
TOTAL NET BUDGETED COSTS	16,321	314,351,000	31,951,000	346,302,000	6,382,000	1,025,000	68,579,000	4,416,000	32,387,000	4,692,000	1,850,000	465,633,000		465,633,000

1/ Includes 821 FTE and $18,988,000 for the Vocational Rehabilitation and Counseling Service

2/ Includes 881 FTE and $19,471,000 for the Vocational Rehabilitation and Counseling Service

66-1

EXECUTIVE DIRECTION

Introduction

This program is comprised of the office of the Chief Benefits Director, Regional Field Directors, Station Directors and their immediate staffs.

Program Description

The Chief Benefits Director is responsible to the Administrator for the operation of the Department which involves an annual expenditure in excess of fifteen billion dollars.

Program Activity

There are 59 field stations (regional offices and centers) under the jurisdiction of the Department of Veterans Benefits. These are divided into three geographical areas, each of which is administered by a Regional Field Director. Station Directors provide local management and administrative direction of field station operations. Also included in this program is the Budget Staff, responsible for acquiring necessary funding for all programs within the Department and the Management and Manpower Staff which reviews and analyzes field station operations.

Summary of Budget Estimates

	FY 1980 Actual	1981 Budget Estimate	1981 Current Estimate	1982 Estimate	Increase(+) Decrease(-)
Average employment	472	486	~~454~~ 440	~~454~~ 400	-40
Costs:					
Personal svcs...	$14,489,586	$15,355,000	~~$15,065,000~~ $14,543,000	~~$15,210,000~~ $13,410,000	~~+$1145,000~~ $-1,133,000
Tvl. & Trans. of Persons	355,703	215,000	320,000	~~320,000~~ 439,000	+119,000
Other services ..	2,993	3,000	3,000	3,000	...
Total costs ...	14,848,282	15,573,000	~~15,388,000~~ 14,866,000	~~15,533,000~~ 13,852,000	~~+145,000~~ -1,014,000
Common service adjustment	-1,258,992	-1,272,000	-1,220,000	-1,232,000	-12,000
Net costs	$13,589,290	$14,301,000	~~$14,168,000~~ $13,646,000	~~$14,301,000~~ $12,620,000	~~+$133,000~~ $1,026,000

Summary of Budget Request

Funds of ~~$14,301,000~~ $12,620,000 are requested to support the Executive Direction function for FY 1982. This represents an ~~increase~~ decrease of ~~$133,000~~ $1,026,000 over FY 1981 due to the annualization of the October 1980 G.S. payraise, and normal within-grade advances, offset by the employment reduction.

Analysis of Increases and Decreases - 1982

	FY 1980 Actual	1981 Estimate	1982 Estimate	Increase(+) Decrease(-)
Personal Services				
Average employment	472	~~454~~ 440	~~454~~ 400	-40
Payroll costs	$14,489,586	~~$15,065,000~~ $14,543,000	~~$15,210,000~~ $13,410,000	~~$+145,000~~ $-1,133,000

The personal services costs are the estimated amounts required to support the employment indicated, including the agency share of benefits such as civil service retirement, hospitalization, and life insurance. The increase is due to the annualization of the October 1980 G.S. payraise and normal within-grade increases.

Travel and transportation of persons				
Employee travel	$355,703	$320,000	~~$320,000~~ $439,000	+$119,000

Funds requested will provide for travel expenses incurred in (a) supervising, evaluating, surveying, and coordinating field station operations; (b) the travel of station directors and staff members to Central Office and other locations for the purpose of attending conferences and meetings pertaining to the business of veterans affairs; and (c) travel expenses incurred by the transfer of employees between stations. The increase in 1982 reflects the estimated cost of department-wide negotiation of a new employee union contract.

Other Services				
Representation allowance .	$1,993	$2,000	$2,000	...
Official residence allowance	1,000	1,000	1,000	...
Total	$2,993	$3,000	$3,000	...

Funds are required to pay residence and representation allowances for the Director at Manila Regional Office as provided by Public Laws 86-116 and 86-707.

VETERANS SERVICES

Introduction

The Veterans Services Program operates through a wide network of veterans services field locations whose personnel assist veterans, their dependents and survivors on veterans benefits matters. It includes extensive outreach activities to assure that information and assistance are provided for the educationally disadvantaged, the disabled, the elderly and the incarcerated.

Program Description

The Veterans Services Program provides veterans, their dependents, and survivors information, advice and assistance concerning the availability and procurement of benefits under laws administered by the VA and other agencies. This includes providing some educational on-campus assistance to veteran students and overseeing payment of VA benefits to those payees who are under legal disabilities.

It includes arrangements with the Armed Forces to assure that personnel approaching separation are informed about veterans benefits and how they may be obtained. To assist veterans, dependents and survivors residing at a distance from regional offices in obtaining information and advice, toll-free telephone service is provided.

The program also provides the away-from-office service needed to obtain information, maintain liaison with educational institutions, serve veterans at educational institutions and assure compliance with laws (including Title VI of the Civil Rights Act) and regulations in the Education program.

Program Activity

The activity is conducted at all 58 Veterans Administration Regional Offices, 17 Veterans Assistance Offices and 171 hospitals, 8 outpatient clinics, and 55 itinerant points.

Highlights Fiscal Year 1980

Veterans, dependents and survivors visiting or calling totaled over 17 million (2.9 million interviews; 14.7 million telephone calls).

U.S. Veterans Assistance Centers operating at Veterans Services locations continued efforts to inform recently separated veterans, particularly the educationally disadvantaged (those having less than a high school education), about available veterans benefits. Over 100,000 such veterans were interviewed, with approximately 14% being educationally disadvantaged. Employment was found for 12,193 veterans out of about 58,477 who requested assistance.

The toll-free telephone service to VA regional office locations initiated in 1967 was completed late in fiscal year 1977. The service is now available throughout the continental United States, Alaska, and Hawaii. Veterans and beneficiaries throughout the 50 states can now call VA regional offices or centers for the cost of a local call. During FY 1980, 5,017,377 calls were received over these lines.

During the year, 103,533 field examinations were conducted; 24,427 were for the purpose of appointing guardians or other fiduciaries to receive payments on behalf of minors or incompetent adults; 67,787 were for the purpose of reviewing previously established fiduciary arrangements; and 11,319 were conducted to obtain information in connection with other Department operations. At the end of the year there were 138,797 beneficiaries for whom payments were being supervised. Almost 83% of the beneficiaries are adults and about 17% are minors.

The Vet Rep program was reduced considerably during the year. Staffing declined from 314 and 33. Still Vet Reps conducted over 380,000 interviews, 1,600 field examinations, and 104 compliance surveys. In addition, they performed almost 1,000 liaison visits with school authorities and conducted visits to prisons in their area to assure that veteran-inmates are advised of benefit eligibility.

Vet Reps and other Veterans Services personnel expended about 40 staff years in obtaining from schools certifications of enrollment and attendance. Obtaining such certifications is necessary to assure prompt payment of educational benefits.

The Community Service activity located at some regional offices provided initial assistance to 3,493 veterans, found employment for 617 veterans and placed 837 veterans in education or training programs.

Compliance surveys decreased about 4% from those performed in FY 1979. With continued emphasis on this function, performance in the last half of the fiscal year was at the rate of about 12,000 surveys annually.

Plans and Trends

An increase in personal and telephone interviews is expected as the result of changes in compensation and pension laws.

Interviews with hospital patients will continue to increase slightly as the result of procedures emphasizing the necessity for contacting all service-connected disabled patients.

There will be an increase in FX/WATS incoming calls because of significant reductions in Vet Rep staffing.

Vet Rep service will be virtually non-existent. Outreach efforts will focus special attention and priority service to service-connected disabled veterans, Vietnam era veterans and disadvantaged and aging beneficiaries.

Cross training of personnel will be continued in order to provide maximum flexibility at-office and away-from-office, thereby minimizing travel and resulting costs.

Emphasis on providing assistance to veterans in finding employment and entering into On-the-Job Training programs will remain high. In this connection, there will be cooperation with CETA prime sponsors, State Employment Services, and the Department of Labor in obtaining employment plus outreach to employers to obtain and develop On-the-Job Training opportunities.

Veterans Services personnel will continue to participate in the programs of the White House Veterans Coordinating Committee and in the Readjustment Counseling program for Veterans of the Vietnam Era established by PL 96-22 and operated by DM&S as Operation Outreach. Also the Career Development Center Program established by VA will continue to require much assistance from Veterans Service personnel.

The VA's counseling responsibility is no longer under Veterans Assistance Services. It has been given its own identity as the Vocational Rehabilitation and Counseling Service.

WORKLOAD

	FY 1980 Actual	1981 Estimate	1982 Estimate
Interviews	2,952,872	3,000,000	3,169,000
Telephone actions	18,490,024	19,100,000	18,049,000
Correspondence	2,503,018	2,600,000	2,511,000
Field examinations	103,533	105,000	105,000
Compliance surveys	11,350	13,350	13,300
Liaison actions	85,164	86,200	86,200
Total	24,145,961	24,904,550	23,933,500

	FY 1980 Actual	1981 Estimate	1982 Estimate
Counseling:			
Fee basis:			
Vocational rehabilitation	2,813		
Dependents	8,564		
Readjustment training	32,443	Effective October 1, 1980, the counseling activity was removed from the Veterans Services Program. The Fiscal Year 1981 and 1982 counseling estimates are shown in the Vocational Rehabilitation and Counseling section.	
Total	43,820		
VA staff:			
Vocational rehabilitation	38,286		
Dependents	8,160		
Readjustment training	26,757		
Total	73,203		

Summary of Budget Estimates

	FY 1980 Actual	1981 Budget Estimate	1981 Current Estimate	1982 Estimate	Increase(+) Decrease(-)
Average employment ...	4,039	4,009	~~3,372~~ 3,300	~~3,186~~ 2,804	~~186~~ -496
Costs:					
Personal svcs.	$87,152,326	$87,472,000	$75,604,000 ~~$78,886,000~~	$65,054,000 ~~$75,387,000~~	$-10,550,000 ~~$-3,499,000~~
Tvl & trans. of persons	1,952,499	2,871,000	1,150,000 ~~1,200,000~~	1,150,000 ~~1,200,000~~	... 1/
Other services	4,715,268	352,000	...	...	... 1/
Total costs	$93,820,093	$90,695,000	$76,754,000 ~~$80,086,000~~	$66,204,000 ~~$76,587,000~~	$-10,550,000 ~~$-3,499,000~~

Summary of Budget Request

Funds of ~~$76,587,000~~ $66,204,000 are requested to support the Veterans Services program for FY 1982, which represents a decrease of ~~$3,499,000~~ $10,550,000 from FY 1981. This decrease is due to the lower employment level partially resulting from the October 1, 1980 reorganization, offset by normal within-grade increases, and the annualization of the October 1980 GS payraise.

Explanation of Increases and Decreases - 1982

	FY 1980 Actual	1981 Estimate	1982 Estimate	Increase(+) Decrease(-)
Personal Services				
Average employment ...	4,039	~~3,372~~ 3,300	~~3,186~~ 2,804	~~186~~ -496
Payroll costs	$87,152,326	~~$78,886,000~~ $75,604,000	~~$75,387,000~~ $65,054,000	~~$-3,499,000~~ $-10,550,000

These costs represent salaries for the employment indicated plus the fringe benefits such as retirement, hospitalization, and insurance paid by the Government. The decrease is due to the lower employment level, offset by normal within-grade increases, and the October 1980 GS payraise.

Travel and transportation of persons				
Employee travel	$1,188,247	~~$1,200,000~~ $1,150,000	~~$1,200,000~~ $1,150,000	...
Beneficiary travel	764,252	...	...	... 1/
Total	$1,952,499	~~$1,200,000~~ $1,150,000	~~$1,200,000~~ $1,150,000	...

Travel costs are incurred by employees in the performance of official duties such as compliance surveys, outreach, as well as attendance at meetings, workshops, and seminars, etc.

~~The increase in employee travel in FY 1981 and FY 1982 is due to the elimination of the Vet Rep program which increases the need for travel to provide service on an itinerant basis.~~

	FY 1980 Actual	1981 Estimate	1982 Estimate	Increase (+) Decrease (-)	
Other Services					
Fee basis counseling....	$4,715,268	...	...	...	1/

1/ Effective October 1, 1980, the Beneficiary travel and Fee basis counseling functions were removed from the Veterans Services program. The fiscal year 1981 and 1982 estimates are shown in the Vocational Rehabilitation and Counseling section.

COMPENSATION, PENSION AND EDUCATION

Introduction

This program is comprised of two primary functions; the adjudication of claims for compensation or pension and the administration of the veteran's education program.

Program Description

The Compensation and Pension program provides financial assistance to veterans, their dependents and survivors. The component activities are: compensation, which provides financial aid to veterans who, because of service-connected disabilities, have suffered a loss or impairment of earning capacity; and pension, which provides a measure of financial assistance to needy wartime veterans who, because of disabilities not necessarily related to military service, are precluded from gainful employment.

Additionally, there are specific benefit programs of dependency and indemnity compensation and death pension for survivors and dependents under each of these major categories.

The Education program provides financial assistance to veterans, their dependents, and their survivors to aid them in obtaining education or training. Activities include educational assistance, which provides financial benefits to veterans and other eligible persons, education loans, tutorial assistance payments, and veteran-student services (workstudy).

Program Activity

Activities of the Compensation, Pension and Education program are conducted through a network of regional adjudication offices located in all states as well as the District of Columbia, Puerto Rico and the Philippines.

Highlights Fiscal Year 1980

About 2,670,000 claims for compensation and pension submitted by or on behalf of returned Vietnam era veterans as well as older veterans and their dependents were adjudicated in 1980.

Over $11.2 billion was paid to veterans and dependents in compensation and pension benefits. This includes payments of over $6.1 billion to 2.3 million veterans for service-connected disabilities and $2.2 billion to 941 thousand veterans as non-service-connected disability pensions. Dependents and survivors of approximately 1.5 million deceased veterans received $2.7 billion in death compensation, dependency and indemnity compensation and pension payments. A total of about $1.3 billion was paid in compensation and dependency and indemnity compensation to approximately 359,000 survivors and $1.4 billion to 1.1 million survivors on the pension rolls. Additionally, $101 million was paid in burial allowances, $42.8 million for cemetery plots, $9.3 million for service-connected deaths, $13.7 million for headstones and grave markers and $4.9 million for burial flags to drape the caskets of deceased veterans. These figures plus those in the workload table give an indication of current trends and the overall magnitude of the program. There are, however, other factors which have an impact on operations. In the field of new legislation and amendments to existing legislation, the following changes occurred within the past fiscal year:

(a) Public Law 96-128 (November 28,1979) increased the rates of disability and dependency indemnity compensation for disabled veterans and their survivors by 9.9 percent. This law also resulted in the following changes:

- o A 9.9 percent increase in allowances for dependents, and in benefits for housebound and aid and attendance.
- o Increased the annual clothing allowance from $218 to $240.

(b) Effective June 1, 1980 improved pension rates were increased by 14.3 percent simultaneously with Social Security rates.

Maximum annual rates, which were automatically increased on June 1, 1980 in line with the Consumer Price Index, for a single veteran is $4,460; a veteran with one dependent is $5,844. A single veteran receiving aid and attendance has a maximum rate of $7,136; if he is housebound the rate is $5,453. Veterans of WWI and Mexican Border Period have an additional $1,006 added to these maximum rates. Surviving spouses have a maximum rate of $2,989 if they have no dependents and $3,915 if there is also a dependent child. If the spouse is in need of aid and attendance the maximum rate is increased to $4,782. A widow alone who is housebound has a maximum of $3,654.

A child alone who meets all the requirements, is entitled to a maximum annual payment of $755.

Pensioners who receive benefits under Public Law 86-211, or the prior protected pension law, have the right to elect benefits under PL 95-588. Such election is irrevocable.

During FY 1980, 1,137,502 veterans and servicepersons (including Post-Vietnam era veterans) and 95,584 dependents received educational assistance. Continuing on a downward trend, 7,747 Education Loans were disbursed, a reduction of 30 percent from 1979.

Plans and Trends

In 1982, the average age of World War I veterans will be 87.0 years, World War II veterans 62.0 years, Korean conflict veterans 52.7 years, and Vietnam veterans 34.6 years. As age and disability take their toll, we expect an increase in the number of death claims in future years.

Public Law 96-385, effective October 1, 1980, increased disability compensation for severely disabled veterans by 14.3 percent, disability compensation for less severely disabled veterans by 13 percent, and DIC rates for widows and children by 14.3 percent.

Payments of DIC to surviving spouses and children of veterans who died of service connected causes are increased 14.3 percent.

The annual clothing allowance will be increased from $240 to $274 for veterans whose service connected disabilities require the wearing or use of a prosthetic or orthopedic appliance which tends to wear or tear the clothing.

Under the Veterans and Survivors Pension Improvement Act of 1978 (Public Law 95-588) increases in pension are based on the increase in the Consumer Price Index on the same basis as social security increases. Effective June 1, 1980 rates were increased 14.3 percent.

The decline in trainees will continue through FY 1982. Chapter 34 trainees are expected to fall to 846,900 in FY 1981 and 645,600 in FY 1982. Chapter 32 trainees will increase from 9,500 in FY 1981 to 13,500 in FY 1982. Dependents training will decrease slightly, from 90,600 in FY 1981 to 86,900 in FY 1982. Tutorial assistance and education loans will fall off proportionate to Chapter 34 trainee levels.

Workload

	1980 Actual	1981 Estimate	1982 Estimate
Compensation and Pension:			
Claims:			
Initial disability.....	195,139	214,905	218,000
Non-Original.....	446,995	475,000	475,395
Dependency and income...	1,425,509	1,385,000	1,370,000
New death.....	116,325	132,448	139,448
Burial.....	428,824	471,000	471,180
Statement of case.....	56,938	62,520	62,520
Total.....	2,669,730	2,740,873	2,736,543

	1980 Actual	1981 Estimate	1982 Estimate
Education:			
Number of Trainees:			
Post Vietnam (Chapter 32)...	1,947	9,500	13,500
Vocational rehabilitation...	28,666	28,000	27,000
Dependents.....	95,584	90,600	86,900
Readjustment training.....	1,106,889	846,900	645,600
Total.....	1,233,086	975,000	773,000

Summary of Budget Estimates

	1980 Actual	1981 Budget Estimate	1981 Current Estimate	1982 Estimate	Increase (+) Decrease (-)
Average employment...	5,540	5,476	5,350 ~~5,420~~	4,730 ~~5,231~~	-620 ~~-197~~
Costs:					
Personal svcs.....	$113,579,969	$111,670,000	$119,307,000 ~~$120,408,000~~	$106,773,000 ~~$117,485,000~~	$-12,534,000 ~~$-2,923,000~~
Tvl. & trans. of persons...	338,279	327,000	327,000	327,000	...
Other svcs.....	21,026,701	14,175,000	18,941,000 ~~22,770,000~~	12,125,000 ~~21,015,000~~	-6,816,000 ~~-955,000~~
Total cost.....	$134,944,949	$126,172,000	$138,576,000 ~~$143,595,000~~	$119,225,000 ~~$139,627,000~~	$-19,350,000 ~~$-3,878,000~~

Summary of Budget Request

Funds of ~~$139,627,000~~ $119,225,000 are requested to support the Compensation/Pension and Education program for FY 1982. This represents a decrease of ~~$3,878,000~~ $19,350,000 from FY 1981 due to reduction in employment and decreased reporting allowance, offset by the annualization of the October 1980 G.S. payraise.

Analysis of Increases and Decreases - 1982

	1980 Actual	1981 Estimate	1982 Estimate	Increases (+) Decreases (-)
Personal Services				
Average employment....	5,540	5,350 ~~5,420~~	4,730 ~~5,231~~	-620 ~~-197~~
Payroll costs.....	$113,579,969	~~$120,408,000~~ $119,307,000	~~$117,485,000~~ $106,773,000	~~$-2,923,000~~ $-12,534,000

These costs represent salaries for the employment indicated plus the fringe benefits such as retirement, hospitalization, and insurance paid by the Government. The decrease is due to the lower employment level, offset by normal within-grade increases, and the October 1980 G.S. payraise.

Travel and transportation of persons				
Employee travel.....	$338,279	$327,000	$327,000	...

Travel costs are incurred by employees in the performance of official duties such as visits to various veterans organizations and to county service officers for the purpose of advising or consulting with them concerning legislative matters or VA regulations or decisions affecting veterans. Also included is the cost of attendance at meetings, seminars, workshops, etc.

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	1980 Actual	1981 Estimate	1982 Estimate	Increases (+) Decreases (-)
Other Services				
Miscellaneous contractual services	$13,004	$15,000	$15,000	...
Book handling charges	207,463	...	...	... 1/
Reporting allowance	5,577,087	~~4,955,000~~	4,000,000	~~$-955,000~~
Payments to states	15,229,147	~~17,800,000~~	~~17,800,000~~	------
Total	$21,026,701	~~$22,770,000~~	~~$21,815,000~~	~~$-955,000~~

1/ Effective October 1, 1980, the Book handling function was removed from the Compensation, Pension, and Education program. The fiscal year 1981 and 1982 Book handling charges are shown in the Vocational Rehabilitation and Counseling section.

The reporting allowance fee is paid annually to schools to cover the costs of administrative activities and report preparation for veterans and/or dependent trainees. The amount paid is based on the number of trainees on the rolls as of October 31st and identified as Reporting Allowance. The estimated cost for FY 1981 and FY 1982 is based on the expected number of trainees in these years. Payment is at a rate of $11 each for trainees who have elected to receive advance pay and $7 each for all other trainees. The decreasing cost in FY 1982 is attributable to a lower reporting allowance estimate, which is a result of the decreasing trainee levels.

Payments to states covers payments to State Approval Agencies as reimbursement for costs incurred in inspecting and approving courses at schools and other training institutions where veterans or dependents are enrolled or are about to enter. These payments are based on an approved contract with individual State Approval Agencies and cover all levels of scholastic endeavor.

LOAN GUARANTY

Introduction

The Loan Guaranty program provides housing credit assistance to eligible veterans and service personnel through guaranties of loans made by private lenders and through direct loans to severely disabled veterans.

Program Description

The program provides credit assistance whereby housing credit needs of veterans and service personnel may be satisfied by private capital on more liberal terms than generally available to non-veterans, without the assumption of undue risks by the Government.

Assistance is provided chiefly through substituting the Government's guaranty on loans in lieu of the substantial downpayments, relatively short terms, and other investment safeguards applicable to conventional mortgage transactions. The program also assists totally disabled veterans in receiving specially adapted housing grants.

The Direct Loan Program is currently funded to provide credit assistance to severely disabled veterans living in both urban and rural areas. The primary objective of the program is to place such veterans on parity with other veterans.

Cumulatively through September 30, 1980, 11,285,306 loans aggregating $190.0 billion have been made or guaranteed to purchase conventional housing, condominiums, and mobile homes. In addition, 17,232 severely disabled veterans have obtained $248.7 million in grants to purchase housing specially adapted to their particular needs.

Since the inception of the program, 410,661 claims have been settled for $2.8 billion. Incident to these claims, and as a result of foreclosures of direct loans, 445,898 properties have been acquired - 431,502 of these properties have been sold for $6.1 billion. In addition, 5,373 properties were redeemed.

Program Activity

The activities of this program are identified in the following highlights.

Highlights Fiscal Year 1980

During FY 1980, 297,447 loans were guaranteed. Vietnam era veterans continue to account for the majority of the loans. The effects of legislation liberalizing the eligibility for restoration of entitlement was observed in the widespread use of the program by veterans using restored entitlement. In FY 1980, 33,000 loans were closed in which the veteran used restored entitlement, a 15% decrease from the previous year.

During FY 1980, the willingness of private lenders to make guaranteed loans in areas eligible for direct lending required the VA to make only 1,160 direct loans. This volume continued the trend of the past several years. Total loans closed decreased to 297,447 in FY 1980 from 364,578 in FY 1979. This decrease was primarily the result of a tighter money market which caused the escalation of interest rates including the FHA/VA maximum rate thereby hampering the income qualifications of many veterans. The following is a summary of the changes in origination workloads experienced during FY 1980:

Origination Workload	Volume in Fiscal Year 1979	1980	% Change
Home Loans Closed	344,616	274,825	-20.3
Condominium Loans Closed	3,482	3,645	+4.7
Refinancing Loans Closed	9,752	10,694	+9.7
Mobile Home Loans Closed	6,728	8,283	+23.1
Total Loans Closed	364,578	297,447	-18.4
Total GI Applications Received	436,441	316,572	-27.5
GI Home Loan Appraisal Requests	691,280	596,121	-13.8
Substitution of Entitlements	6,925	9,097	+31.4

During FY 1980, holders reported 138,323 GI loan defaults, as compared to 120,284 during FY 1979, reflecting the increased exposure incident to the high volume of loans closed over the past several years. Nevertheless, VA supplemental servicing managed to restrict the number of claims to 11,048, a 16% decrease from FY 1979.

The VA inventory of acquired properties stood at 9,023 at the end of FY 1980, a decrease of 4.5% from the 9,453 in inventory at the end of FY 1979. During FY 1980, 11,828 properties were sold, a decline from the 14,722 sales in FY 1979. The 1980 end of year inventory was the lowest experienced in the program since 1960.

Plans and Trends

The demand for housing in 1982 should support a high level of VA loan activity. To maintain this level, VA loans must be kept competitive with alternative investments through timely adjustments in the maximum interest rate and an ample supply of mortgage investment funds, including an active secondary mortgage market (FNMA and GNMA), must be available.

Defaults for FY 1982 are expected to increase from the FY 1981 level. A continued aggressive program of supplemental servicing for veterans in default will be necessary to prevent an excessive increase in claims.

VA's obligation to help veterans does not stop once loans are closed. Every reasonable effort is made to help veterans keep their homes. Loan Guaranty personnel provide assistance in the form of financial counseling by telephone, telegram, letter or personal contact. VA also contacts the holder of the mortgage to encourage forbearance when appropriate. With sufficient personnel available current high rates of cured defaults will be maintained. This not only benefits the veteran and his family, but reduces claim and property management costs to the government.

Thus, while defaults reported for FY 1980 increased by almost 15%, claims processed actually decreased by 16.2%. A major portion of this decrease must be attributed to VA's successful supplemental servicing effort.

Property management activity will continue to be stressed for FY 1982. When VA acquires a home or condominium unit, the property must be put in a saleable condition and on the market as soon as possible. The length of time VA holds a property is critical. Longer holding periods result in increased costs for management fees and taxes. In order to maintain property inventory at the current level, VA must continue to dispose of properties at least at the rate that they are acquired. In addition, this property sales goal must be accomplished in order to make sufficient vendee loans available to the portfolio to achieve the FY 1982 projected level of vendee loan sales.

Personnel at the levels requested are needed not only to continue the above program, but also to carry out the provisions of the Veterans Disability Compensation and Housing Benefits Amendment of 1980, Public Law 96-385, which made changes having an impact on the program as follows:

- o Extends eligibility for specially adapted housing grants to veterans who have lost their sight or lost their hands or the use of their hands.
- o Increased the maximum guaranty from $25,000 to $27,500.
- o Provides for the refinancing of loans without use of entitlement if the interest rate on refinanced loans is lower than the loan being refinanced.

Workload

	1980 Actual	1981 Estimate	1982 Estimate
Units in Appraisal Requests	596,121	600,000	600,000
Loan Originations	298,607	315,125	315,030
Property Acquisitions	11,544	13,180	13,085
Properties Disposed of	11,949	13,560	13,085
Claims Processed	11,048	12,450	12,250
Specially Adapted Housing Grants	620	880	850

The preceding items are key workload factors for this program indicating the trend in anticipated workloads.

Summary of Budget Estimates

	FY 1980 Actual	1981 Budget Estimate	1981 Current Estimate	FY 1982 Estimate	Increase (+) Decrease (-)
Average Employment...	2,349	2,493	~~2,322~~ 2,300	~~2,162~~ 1,844	~~-160~~ -456
Costs:					
Personal services...	$47,433,686	$51,020,000	~~$50,716,000~~ $50,757,000	~~$47,799,000~~ $41,263,000	~~$-2,917,000~~ $-9,494,000
Tvl. & trans. of persons.....	538,025	565,000	~~565,000~~ 561,000	~~565,000~~ 561,000	...
Other services.....	1,993,700	1,900,000	2,000,000	2,000,000	...
Total costs.....	$49,965,411	$53,485,000	~~$53,281,000~~ $53,318,000	~~$50,364,000~~ $43,824,000	~~$-2,917,000~~ $-9,494,000

Summary of Budget Request

Funds of ~~$50,364,000~~ $43,824,000 are requested to support the Loan Guaranty program for FY 1982. This represents a decrease of ~~$2,917,000~~ $9,494,000 from FY 1981 which is due to the lower employment level, offset by normal within-grade increases, and the annualization of the October 1980 GS payraise.

An employment level of ~~2,162~~ 1,844 is requested for FY 1982. This reflects a slight decrease in property and claims activity and loan origination activity.

Analysis of Increases and Decreases - 1982

	FY 1980 Actual	1981 Estimate	1982 Estimate	Increase (+) Decrease (-)
Personal Services				
Average employment...	2,349	~~2,322~~ 2,300	~~2,162~~ 1,844	~~-160~~ -456
Payroll costs.....	$47,433,686	~~$50,716,000~~ $50,757,000	~~$47,799,000~~ $41,263,000	~~$-2,917,000~~ $-9,494,000

These costs represent salaries for the employment indicated plus the fringe benefits such as retirement, hospitalization, and insurance paid by the Government. The decrease is due to the lower employment level, offset by normal within-grade increases, and the October 1980 GS payraise.

Travel & Transportation of Persons				
Employee Travel.....	$538,025	~~$565,000~~ $561,000	~~$565,000~~ $561,000	...

Nearly all employee travel is directly related to the origination and servicing of loans and to the management and sale of VA owned properties. To ensure that fee personnel are performing their duties in a manner that is in the best interests of the Government, a sample of all appraisals and compliance inspections are subjected to a field review by a staff technician. Other personnel perform extensive travel, to service portfolio loan accounts and provide supplemental servicing of guaranteed loans where such supplemental servicing appears to be in the Government's best interest. Another major category of employee travel is incidental to the management and sale of VA owned properties, particularly inspections made prior to undertaking any major repairs. In addition, employee travel is undertaken as necessary to maintain close personal contact with fee personnel and program participants such as lenders, builders, developers, mobile home manufacturers and mobile home dealers.

The estimated travel costs for FY 1981 and 1982 reflects continuing responsibilities in loan servicing and property management functions as well as the review of appraisals and compliance inspections.

	FY 1980 Actual	1981 Estimate	1982 Estimate	Increase (+) Decrease (-)
Other Services				
Miscellaneous contractual services...	$1,993,700	$2,000,000	$2,000,000	...

The costs for appraisals, compliance inspections, and credit reports incidental to the guaranteeing, insuring and making of loans are paid by the buyers, sellers, of other interested parties associated with such transactions. The VA does, however, order credit reports on a sample basis to ensure that complete and accurate reports are being submitted with applications for guaranty. Further, VA obtains appraisals in all cases where holders of GI loans give notice of intention to foreclose. In addition, there are some cases each year involving controversies over construction problems, and in such cases it is often necessary for VA to engage the services of engineering firms to make land planning, drainage and sanitation surveys which are necessary to resolve such problems.

INSURANCE

Introduction

The Insurance programs provide life insurance protection for servicepersons and veterans. These programs furnish insurance coverage similar to that of commercial insurance, with a contractual agreement between the Veterans Administration and the policyholder which creates a legal obligation to honor the provisions of the insurance contract.

Five ordinary life insurance programs are administered for the benefit of servicepersons, veterans and their beneficiaries. In addition to the Government administered programs, the Veterans Administration supervises the administration of the Servicemen's Group Life Insurance and the Veterans Group Life Insurance Programs and Veterans Mortgage Life Insurance. The latter is a group program for seriously disabled veterans who qualify for specially adapted housing.

Program Description

The program mission is to administer and supervise the existing insurance activities and to seek modifications which appear warranted for the benefit and protection of the servicepersons, veterans and their beneficiaries.

Program Activity

Due to the advancing average age of our policyholders, increases will continue in the workloads of the Death and Disability Claims activities. A mass mailing of disability benefits information which is now underway will also contribute to the substantial increase in the workload of the Disability Claims Activity during fiscal years 1981 and 1982. Increases in Death and Disability claims activities are especially significant in that they are areas which require high processing time per work unit. A workload decline is expected in fiscal year 1981 in the high volume but low processing time (per work unit) Policy Service activity. This trend will be temporarily reversed during fiscal year 1982 because of a mass mailing of beneficiary and optional settlement information. A slight decline in workload is also expected in Medical Determinations which is the smallest activity of the four.

Workload

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate
Policy service	2,116,228	2,000,000	2,085,000
Medical Determinations ...	11,348	10,580	10,420
Disability claims	85,920	94,750	94,750
Death claims	76,829	78,400	80,300
Total	2,290,325	2,183,730	2,270,470

Summary of Budget Estimates

	FY 1980 Actual	1981 Budget Estimate	1981 Current Estimate	1982 Estimate	Increase(+) Decrease(-)
Average employment ..	494	523	~~490~~ 475	~~490~~ 450	~~---~~ -25
Costs:					
Personal svcs.	$8,640,838	$9,329,000	~~$9,217,000~~ $8,850,000	~~$9,300,000~~ $8,479,000	~~$191,000~~ $-371,000
Tvl. & trans. of persons	5,617	4,000	4,000	4,000	...
Total costs	$8,646,455	$9,333,000	~~$9,221,000~~ $8,854,000	~~$9,312,000~~ $8,483,000	~~$191,000~~ $-371,000

Summary of Budget Request

Funds of ~~$9,217,000~~ $8,483,000 are requested to support the insurance program for FY 1982. This represents ~~an increase~~ a decrease of ~~$ 91,000~~ $371,000 from FY 1981 due to the annualization of the October 1980 GS payraise and normal within-grade increases, and an employment reduction.

Analysis of Increases and Decreases - 1982

	FY 1980 Actual	1981 Estimate	1982 Estimate	Increase(+) Decrease(-)
Personal Services				
Average employment ..	494	~~490~~ 475	~~490~~ 450	~~---~~ -25
Payroll costs	$8,640,838	~~$9,217,000~~ $8,850,000	~~$9,300,000~~ $8,479,000	~~$191,000~~ $-371,000

The above represents employee salary costs as well as the fringe benefits paid by the Government. The ~~increase~~ decrease is due to the annualization of the October 1980 GS payraise and normal within-grade increases, offset by the employment reduction.

Travel and transportation of persons				
Employee travel ..	$5,617	$4,000	$4,000	...

Funds will provide for travel expenses incurred in supervising, evaluating, surveying and coordinating operations, and the attendance of officials at conferences and seminars.

VOCATIONAL REHABILITATION AND COUNSELING SERVICE

Introduction

During FY 1979, the VA's Office of Planning and Program Evaluation studied the Chapter 31 rehabilitation program to analyze the effectiveness in achieving goals. the management configuration and service delivery capability. A rehabilitation conference to examine the VA's rehabilitation effort was convened during FY 1979 and subsequently, an Agency Task Force on Rehabilitation considered the conference findings and made additional recommendations to the Administrator to improve the Agency's rehabilitation effort. In FY 1980, the General Accounting Office analyzed the vocational rehabilitation program and made recommendations to improve its effectiveness.

Recommendations from these studies to improve the vocational rehabilitation program included:

- o establishing a single organization to manage the vocational rehabilitation program
- o improve outreach to seriously disabled veterans
- o integrate DVB and DM&S rehabilitation services
- o give priority to disabled veterans with serious employment handicaps
- o improve program accountability
- o install/implement a work measurement and program evaluation
- o enhance staff development
- o implement the case manager concept
- o obtain and maintain suitable employment as the primary basis and goal of rehabilitation services.

Effective October 1, 1980, the Counseling and Rehabilitation Activity in Central Office was separated from the Education and Rehabilitation Service and reorganized as the Vocational Rehabilitation and Counseling Service within the Department of Veterans Benefits. In the regional offices the Counseling and Rehabilitation Activity was separated from the Veterans Services Division and established as a Vocational Rehabilitation and Counseling Division with direct line responsibility to the Regional Office Director. This reorganization was in response to VA and GAO study recommendations, and is designed to improve program management and enhance service delivery.

Program Description

The primary mission of the Vocational Rehabilitation and Counseling Service is to provide all services and assistance necessary to enable veterans with service-connected disabilities to achieve maximum independence in daily living and, to the maximum extent feasible, to become employable and to obtain and maintain suitable employment. The service is also charged with providing comprehensive professional counseling services to veterans, servicepersons and other eligible persons, upon their request, who are applying for VA educational assistance under chapters 32, 34, and 35 of title 38, U.S.C. These counseling and rehabilitation services are provided by counseling psychologists, vocational rehabilitation specialists and technical staff.

Program Activity

Activities of the Vocational Rehabilitation and Counseling program are conducted at all 58 Veterans Administration Regional Offices, and at 45 decentralized locations.

Highlights Fiscal Year 1980

Under the former organizational alignment, activities during the fiscal year focused on the delivery of existing services, and the implementation of the Administrator's Concept of Rehabilitation and the Agency Task Force on Rehabilitation recommendations for improving the vocational rehabilitation program. Central Office staff also participated substantially in a consultative role in the development and refinement of legislative proposals leading to PL 96-466, the Veteran's Rehabilitation and Education Amendments of 1980, and made extensive preparations for the reorganization of the Counseling and Rehabilitation unit.

During the fiscal year, 28,666 veterans were provided vocational rehabilitation training and a total of 117,023 beneficiaries under chapters 31, 32, 34, and 35 of title 38, U.S.C. were counseled. Under the vocational rehabilitation program (chapter 31), 41,099 counseling cases were completed, accounting for 35 percent of all counseling completed during FY 1980.

A significant increase (6,932) in Chapter 34 requested counseling was realized during the first two quarters of the fiscal year as a result of a direct mailing to recently discharged veterans advising them of counseling services. Of the total number of chapter 34 counseling cases (59,200), 15,559 resulted from requests, the rest were mandatory. Effective the beginning of fiscal year 1981, mandatory counseling under chapter 34 was eliminated.

Policies and procedures for the improved management and coordination of VA's integrated rehabilitation services were established and communicated to DVB and DM&S field staff during the fiscal year. A multi-media instructional package and training program was jointly developed by DVB and DM&S and used in joint training sessions held locally by personnel from both departments.

Under the Vocational Rehabilitation program, outreach activities were restructured by emphasizing personal contact with service disabled veterans, more effective coordination of outreach staff activity and improved workload analysis and accountability.

Outreach efforts to advise eligible veterans of counseling services were highlighted during FY 1980 by the development and distribution of VA poster 22-80-1. This poster, carrying brochures and application forms, encourages eligible veterans who may need help to seek counseling for assistance with career preparation, selection of school or job training, or job selection or search. Posters were distributed and placed in regional offices, VA medical centers, colleges and universities, technical and business schools and other locations as appropriate.

Plans and Trends

VR&C staff efforts will be directed toward the initial implementation of those initiatives to the Vocational Rehabilitation program recommended by the special studies and by PL 96-466. Certain provisions of the Veterans Rehabilitation and Education Act were effective October 1, 1980. The more significant program changes will be effective April 1, 1981. The key policy and program issues coming into focus in Fiscal Year 1981 will continue during the following years, for example:

- o establishing a serious employment handicap as a key factor for an extension of the period of eligibility beyond the basic 12-year period.
- o providing employment assistance for service-disabled veterans as an integral part of rehabilitation training.
- o providing a period of extended evaluation to determine potential for rehabilitation.
- o providing a written individualized rehabilitation plan, in cooperation with the veteran, which describes the rehabilitation objectives and the means for accomplishing those objectives.

In addition, the independent living provisions of PL 96-466 establishes a 5-year pilot program with program planning to begin in Fiscal Year 1981 and actual

implementation scheduled for Fiscal Year 1982. A maximum of 500 seriously disabled veterans will be enrolled in this program in each fiscal year.

The VA's Career Development Centers (CDC's) provide personalized career and job assistance services to Vietnam era veterans and other veterans and beneficiaries in need of such help. CDC's are now operational in 21 major cities and an additional 16 authorized centers are expected to be operational during Fiscal Years 1981 and 1982, completing the program as initially conceptualized.

The effectiveness of the overall implementation of PL 96-466 will dictate the nature and degree of program modification and legislative recommendations required to continue providing exemplary quality vocational rehabilitation services for service-disabled veterans.

Workloads

	FY 1980 Actual 1/	1981 Estimate	1982 Estimate
Counseling:			
Fee basis:			
Vocational rehabilitation ...	...	~~6,000~~ 2,100	2,400
Dependents	...	~~4,000~~ 1,400	1,600
Readjustment training	...	~~9,000~~ 3,300	3,700
Total	...	~~19,000~~ 6,800	7,700
VA Staff:			
Vocational rehabilitation ...	...	~~39,000~~ 42,900	48,000
Dependents	...	~~6,000~~ 8,600	8,000
Readjustment training	...	~~16,000~~ 21,700	21,300
Total	...	~~61,000~~ 73,200	77,300

1/ The 1980 actual counseling caseloads are shown in the Veterans Services section.

Summary of Budget Estimates

	1980 Actual 2/	1981 Budget Estimate	1981 Current Estimate	1982 Estimate	Increase (+) Decrease (-)
Average employment ..	...	...	566 ~~621~~	566 ~~601~~	... ~~-60~~
Costs:					
Personal svcs.	...	...	$15,502,000 ~~$16,099,000~~	$15,654,000 ~~$16,725,000~~	$+152,000 ~~$+1,626,000~~
Tvl. & trans. of persons .	...	...	1,095,000 ~~1,471,000~~	1,100,000 ~~1,546,000~~	+5,000 ~~+75,000~~
Other svcs. ..	...	...	1,000,000 ~~2,419,000~~	1,200,000 ~~1,200,000~~	+200,000 ~~-1,219,000~~
Total cost ..	...	...	17,597,000 ~~$19,989,000~~	17,954,000 ~~$19,471,000~~	+357,000 ~~$+482,000~~

2/ The Vocational Rehabilitation and Counseling Program was established on October 1, 1980. The Fiscal Year 1980 actuals and the Fiscal Year 1981 Budget Estimates for this program are included in the Veterans Services and in the Compensation, Pension and Education Programs.

Summary of Budget Request

$17,954,000
Funds of ~~$19,471,000~~ are requested to support the Vocational Rehabilitation and Counseling Program for FY 1982. This represents an increase of $357,000, a result of PL 96-466, which expanded the scope of Vocational Rehabilitation Services, previously mentioned, offset by a decrease in fee basis counseling.

~~An employment level of 681 is requested for FY 1982 to support these increased vocational rehabilitation services.~~

Analysis of Increases and Decreases - 1982

	FY 1980 Actual	1981 Estimate	1982 Estimate	Increase (+) Decrease (-)
Personal Services				
Average employment ...	...	~~566~~ ~~621~~	~~566~~ ~~681~~	~~+60~~
Payroll costs	...	~~$15,502,000~~ ~~$15,099,000~~	~~$15,654,000~~ ~~$16,729,000~~	~~$+152,000~~ ~~$+1,026,000~~

These costs represent salaries for the employment indicated plus the fringe benefits such as retirement, hospitalization, and insurance paid by the government. ~~The increase in FY 1982 is a result of the expansion of vocational rehabilitation services mandated by PL 96-466.~~

Travel and Transportation of Persons					
Employee travel	...	~~$300,000~~ ~~$596,000~~	~~$300,000~~ ~~$636,000~~		~~$+40,000~~
Beneficiary travel ...	...	795,000 ~~875,000~~	~~910,000~~	800,000	~~+135,000~~ +5,000
Total	...	~~$1,471,000~~ ~~$1,095,000~~	~~$1,546,000~~ $1,100,000		~~$+75,000~~ +5,000

Travel costs are incurred by employees in the performance of official duties such as visits to guidance centers and in the placement and supervision of disabled veterans as well as attendance at meetings, workshops, seminars, etc.

~~The increase in employee travel in FY 1982 is due to the expanded staff development program which was designed to keep VA Vocational Rehabilitation personnel abreast of the state of the art. This is accomplished by utilizing conferences and workshops, necessitating an increase in travel expenditures.~~

The round trip cost of transportation for counseling services required under chapter 31 is paid by the VA to prospective trainees on a reimbursable basis and is charged to Beneficiary Travel. The increase is in line with estimated caseloads.

Other Services				
Fee basis counseling ..	...	~~$ 800,000~~ ~~$2,219,000~~	$1,000,000	~~$+200,000~~ ~~$-1,219,000~~
Book handling charges .	...	200,000	200,000	...
Total	...	~~$2,419,000~~ $1,000,000	$1,200,000	~~$-1,219,000~~ ~~$+200,000~~

Fee basis counseling costs are based on the number of cases completed at guidance centers at an average cost of approximately $117 per case in FY 1981 and $130 per case in FY 1982.

Costs incurred in furnishing books and supplies to disabled veterans are recorded as book handling charges.

OFFICE SERVICES

Introduction

Each large organization requires an operating system to keep its books, handle its mail, and administer its personnel program. In the Department of Veterans Benefits, these activities are accomplished by three separate programs which comprise the Office Services functions. These activities are conducted in the Regional Offices through three basic elements -- Administrative, Finance and Personnel.

Program Description

This Service consists of three operating Divisions:

Administrative - Receipt and dispatch of mail; identification of claimants; preliminary development of benefit applications; operation of remote control dictating systems; maintenance of publications and forms management programs for the Department.

Finance - Payment of all expenses incurred at the station level; control and collection of accounts receivable; maintenance of accounting records pertaining to portfolio loans and responsibility for all fiscal records including the preparation and submission of monthly and quarterly reports.

Personnel - All personnel matters such as recruitment and placement; policies and procedures; and the incentive awards program.

Program Activity

The requested employment of ~~4,117~~ 3,727 for FY 1982 is divided among the three Divisions as indicated below:

Administrative.....	~~2,118~~ 1828
Finance.....	~~1,744~~ 1,719
Personnel.....	~~255~~ 180

The Finance employment includes ~~156~~ 140 for the Centralized Accounts Receivable Service at St. Paul which handles the majority of the collection activities for overpayments and loan guaranty debts established since January 1, 1975. They also handle thoses receivables established prior to that date against debtors whose file number ends in 00 through 04.

Workload (in thousands)

	1980 Actual	1981 Estimate	1982 Estimate
Administrative:			
Mail/Publications/Files.....	247,852	232,190	228,076
Centralized Transcription.....	10,433	10,039	9,862
Records Processing Center.....	4,395	4,278	4,202
Data Terminal/Telecommunications.....	14,684	14,756	14,494
Total.....	277,364	261,263	256,634
Finance:			
Accounting.....	4,607	4,497	4,860
Operations.....	11,347	11,076	11,970
Total.....	15,954	15,573	16,830

Summary of Budget Estimates

	FY 1980 Actual	1981 Budget Estimate	1981 Current Estimate	1982 Estimate	Increase (+) Decrease (-)
Average employment	4,020	3,772	~~4,078~~ 3,969	~~4,117~~ 3,727	~~+39~~ -242
Costs:					
Personal svcs...	$59,971,081	$57,994,000	~~$66,023,000~~ $64,922,000	~~$67,689,000~~ $61,458,000	~~$+1,666,000~~ $-3,464,000
Tvl. & trans. of persons.....	2,249,249	2,005,000	~~2,370,000~~ 2,160,000	~~2,420,000~~ 2,160,000	~~+50,000~~ ...
Trans. of things	827,855	1,500,000	~~1,150,000~~ 1,450,000	~~1,025,000~~ 1,025,000	~~-125,000~~ -425,000
Rents, Comm. & Utilities.....	58,475,881	66,294,000	63,339,000	~~60,709,000~~ 56,539,000	~~+5,370,000~~ -6,800,000
Printing & reproduction...	4,416,029	4,210,000	4,416,000	4,416,000	...
Other services..	7,669,729	6,380,000	7,606,000	~~7,383,000~~ 7,593,000	~~223,000~~ -13,000
Supplies & materials.....	4,722,757	3,870,000	4,720,000	4,720,000	...
Equipment.....	412,482	500,000	~~1,500,000~~ 1,193,000	~~1,050,000~~ 1,543,000	+350,000
Total costs..	$138,745,063	$142,753,000	~~$161,124,000~~ $149,806,000	~~$158,212,000~~ $139,454,000	$-10,352,000
Common service adjustment.....	-2,263,992	-2,308,000	-2,221,000	-2,241,000	-20,000
Net costs	$136,481,071	$140,445,000	~~$148,903,000~~ $147,585,000	~~$155,971,000~~ $137,213,000	~~$+7,068,000~~ $-10,372,000

Summary of Budget Request

Funds in the amount of ~~$156,971,000~~ $137,213,000 are requested for this program. This amount includes, in addition to personal service costs of ~~$67,689,000~~ $61,458,000 for ~~4,117~~ 3,727 employees, the housekeeping costs for the entire Department. These include communications, rent, printing, supplies and equipment used by the Department and costed to this program. Detailed justification for these items appear in subsequent pages.

Analysis of Increases and Decreases - 1982

	FY 1980 Actual	1981 Estimate	1982 Estimate	Increase (+) Decrease (-)
Personal Services				
Avg. employment.....	4,020	~~4,078~~ 3,969	~~4,117~~ 3,727	~~+39~~ -242
Payroll costs.....	$59,971,081	~~$66,023,000~~ $64,922,000	~~$67,689,000~~ $61,458,000	~~$+1,666,000~~ $-3,464,000

These costs represent salaries for the employment indicated plus the fringe benefits such as retirement, hospitalization and insurance paid by the Government. ~~Increased requirements of $1.6 million and 39 average employment are due principally to the additional resources needed to implement the requirements of PL 96-466 with respect to debt collection. An increase of 116 average employment in the Finance activity is offset by a decline of 77 in the Administrative Service. Also, contributing to the increased cost, is the annualization of the October 1980 6% pay raise.~~

	FY 1980 Actual	1981 Estimate	1982 Estimate	Increase (+) Decrease (-)
Travel and Transportation of persons				
Employee travel	$170,953	$200,000	~~$250,000~~ $200,000	~~$+50,000~~ ...
Local travel	112,663	200,000	200,000	...
Reimbursement for GSA vehicles	1,965,633	~~1,970,000~~ 1,760,000	~~1,970,000~~ 1,760,000	...
Total	$2,249,249	~~$2,370,000~~ $2,160,000	~~$2,420,000~~ $2,160,000	~~$+50,000~~ ...

Travel costs are paid in behalf of employees and their dependents on permanent changes of station, round-trip between old and new official stations to seek permanent residence quarters prior to permanent change of station, and temporary duty travel in connection with conferences, meetings, surveys and such other administrative travel as required in connection with the employees' official duties.

Local travel includes all travel within a metropolitan area of an employee's duty station and is paid by tickets, tokens, fares for taxis and mileage.

Reimbursement for GSA vehicles covers the rental of passenger vehicles for the department from Government motor pools. Vehicles are rented on a long-term or a trip basis. The majority of our costs are for rental on a long-term basis with the vehicles being assigned to personnel whose official duties require constant traveling such as veterans assistance counselors, field examiners, and other officials whose duties require personal contact with veterans and their beneficiaries.

	FY 1980 Actual	1981 Estimate	1982 Estimate	Increase (+) Decrease (-)
Transportation of things				
Other shipments	$169,465	$250,000	$250,000	
Shipment of household goods	476,400	~~950,000~~ ~~650,000~~	525,000	~~$-425,000~~ ~~$-125,000~~
Parcel post	181,990	250,000	250,000	...
Total	$827,855	~~$1,150,000~~ $1,450,000	$1,025,000	~~$-125,000~~ $-425,000

Included are charges incurred by the department for the transportation of things and their care while being transported and consists of the following items:

Other shipments -- transportation costs of miscellaneous items shipped between stations.

Shipment of household goods -- costs incurred by employees in the transportation of their personal furniture in moving from one location to another on permanent change of assignment at the convenience of Government.

Parcel post -- represents funds paid the Postal Service to cover the cost of records shipped between stations. The amount is determined by a sampling of the volume of material shipped.

Rents, communications and utilities				
Long distance Commercial	$485,474	$485,000	$485,000	...
GSA (FTS)	5,836,791	6,717,000	6,717,000	...
Recurring costs Commercial	3,115,972	3,116,000	3,116,000	...
GSA	2,722,942	2,784,000	2,784,000	...
Teletype and telegraph GSA (ARS)	3,732,050	2,121,000	2,121,000	...
Other communications	919,485	1,500,000	1,500,000	...
Mail	8,490,192	11,480,000	12,170,000	$+690,000
Standard level user charge	31,859,542	33,806,000	~~30,316,000~~ 26,316,000	~~-1,490,000~~ -7,490,000
Other rental charges	228,265	230,000	230,000	...
Rental office machines	1,085,168	1,100,000	1,100,000	...
Total	$58,475,881	$63,339,000	~~$60,709,000~~ $56,539,000	~~$-5,370,000~~ $-6,800,000

The above detailed communication items represent the Departmental cost for services rendered. A downward adjustment in the Departmental pro-rata share of the Agency billing for the ARS system have lessened those requirements for fiscal years 1981 and 1982. Increased FTS costs are attributable to increased GSA system maintenance costs.

Mail costs represent the total expenditure of the Department (Field and Central Office) incurred in the official mailing of material. Increased estimates for fiscal years 1981 and 1982 are the result of the semi-annual sampling of the volume of mail dispatched.

Funds requested for standard level user charges in FY 1981 and 1982 represent the cost of leased space, including parking in Government owned space. ~~Increases are projected which represent anticipated rate increases, and moves to new facilities as well as the full year cost of space utilized for part of the previous year.~~

Other rental charges include cost of space utilized in non-governmental facilities. The estimated cost for FY 1981 and FY 1982 reflects the stabilized usage of such space.

Funds are requested for the rental of office equipment such as photocopy, microfilm, typing and proofing machines. The estimate for FY 1981 and FY 1982 includes rental and maintenance costs associated with the insurance collection processing system in the Philadelphia and St. Paul Insurance Centers.

	FY 1980 Actual	1981 Estimate	1982 Estimate	Increase (+) Decrease (-)
Printing and Reproduction				
Forms and form letters.....	$1,898,967	$1,899,000	$1,899,000	...
Other printing.....	2,517,062	2,517,000	2,517,000	...
Total.....	$4,416,029	$4,416,000	$4,416,000	...

Funds are requested for forms and form letters, printed envelopes and letterheads, special printing and reproduction services, printing of manuals and technical and information bulletins utilized throughout the Department. These funds also include cost of standard forms when specially printed or assembled to order. Funds to pay GSA for centralized duplicating services are also included in this object, as well as the cost of printed material published in the Federal Register.

Other services				
Repair of furniture and equipment.....	$1,037,003	$1,050,000	$1,050,000	...
Miscellaneous services....	6,632,726	6,556,000	~~6,333,000~~ 6,543,000	~~$ 223,000~~ -13,000
Total.....	$7,669,729	$7,606,000	~~$7,383,000~~ $7,593,000	~~$ 223,000~~ -13,000

Repair of furniture and equipment represents Departmental costs of annual maintenance contracts for adding machines, calculators and accounting machines. Additional funds are included for miscellaneous repair of office machines not under an annual maintenance contract.

Funds requested for miscellaneous services cover the contract maintenance expense of the Target Terminal equipment and the cost of contracts with individuals, institutions and organizations. Also included are costs for credit reports, guard service, health services, training, shared administrative support services and payment to GSA for cost of operating of office space during non-regular working hours. A lowered dependency on service-type contractual agreements with individuals, institutions and organizations is responsible for the continuing decline in requirements.

Supplies and materials				
Office supplies.....	$2,523,676	$2,522,000	$2,522,000	...
Operating and maintenance.....	2,199,081	2,198,000	2,198,000	...
Total.....	$4,722,757	$4,720,000	$4,720,000	...

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Funds are requested for normal office supplies and for miscellaneous operating and maintenance supplies required for normal operations such as (1) lock boxes for property owned, (2) supplies for health units and (3) routine supplies not classified as administrative office supplies.

	FY 1980 Actual	1931 Estimate	1982 Estimate	Increase (+) Decrease (-)
Equipment.....	$412,482	$1,193,000 ~~$1,500,000~~	$1,543,000 ~~$1,850,000~~	$+350,000

Funds are requested for the initial and/or replacement cost of office furniture and equipment such as typewriters, adding machines, transcribing and dictating equipment. An increase of $1.0 million in FY 1981 represents the cost of replacement items. Budget year estimates provide for the planned introduction of an on-line ADP computer terminal system in the insurance operational activities and support of the continuing equipment replacement program.

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Part 2. Benefits Appropriations and Funds

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FY 1982 CONGRESSIONAL BUDGET SUBMISSION
COMPENSATION
APPROPRIATION LANGUAGE

For the payment of compensation benefits to or on behalf of veterans as authorized by law (38 U.S.C. 107, chapters 11, 13, 51, 53, 55, and 61), $8,657,900,000, to remain available until expended.

[For the payment of compensation, pensions, gratuities, and allowances, including burial awards, plot allowances, burial flags, headstones and grave markers, emergency and other officers' retirement pay, adjusted-service credits and certificates, and other benefits as authorized by law; and for payment of premiums due on commercial life insurance policies guaranteed under the provisions of article IV of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, $11,602,000,000, to remain available until expended.] (Department of Housing and Urban Development - Independent Agencies Appropriation Act, 1981.)

Explanation of Language Change

It is proposed to split the Compensation and Pensions appropriation into three new appropriation accounts: Compensation, Pensions, and Burial Benefits and Miscellaneous Assistance. This structure is recommended in order to achieve a more informative presentation of the budgetary requirements for these major benefit programs. Adoption of this new appropriation structure would more closely correspond to the functional program classification and facilitate program presentation.

Appropriation Highlights

	1980 Actual	1981 Estimate	1982 Estimate	Increase (+) Decrease (-)
		(dollars in thousands)		
Major Activities:				
Compensation:				
Veterans	$6,103,643	$7,028,799	$7,085,400	$+56,601
Survivors	$1,344,644	$1,537,840	$1,554,000	$+16,160
Clothing Allowance	$15,070	$18,100	$18,500	$+400
Appropriation (adjusted)	$7,353,000	$8,583,500	$8,657,900	$+74,400
Obligations	$7,468,187	$8,584,739	$8,657,900	$+73,161
Costs	$7,463,357	$8,584,739	$8,657,900	$+73,161
Outlays	$7,433,501	$8,492,400	$8,557,000	$+64,600
Caseload:				
Veterans	2,268,219	2,275,707	2,281,007	+5,300
Survivors	359,180	357,908	357,862	-46
Total	2,627,399	2,633,615	2,638,869	+5,254

Summary of Budget Request

Congress is being requested to approve a new appropriation account entitled "Compensation". It is also being requested to appropriate $8,657,900,000, in fiscal year 1982 for this new account. This is $74.4 million greater than the 1981 estimate and is based upon a projected increase the result of higher average costs for both veteran and survivor, reflecting greater degrees of disability, dependency, and higher pay grade of deceased veterans, and a projected increase of 5,254 compensation cases in 1982.

Change from Original 1981 Budget Estimates

	1981 Budget Estimate	1981 Current Estimate	Increase (+) Decrease (-)
	(dollars in thousands)		
Major Activities:			
Compensation:			
Veterans	$6,163,200	$7,028,799	$+865,599
Survivors	$1,329,000	$1,537,840	$+208,840
Clothing Allowance	$15,800	$18,100	$+2,300
Total Appropriation	$7,508,000	$8,583,500	$+1,075,500
Obligations/Cost	$7,508,000	$8,584,739	$+1,076,739
Outlays	$7,466,500	$8,492,400	$+1,025,900
Average Cases	2,644,321	2,633,615	-10,706

The funding requirements imposed by the recently enacted legislation PL 96-385, will be met by requesting a supplemental appropriation of $1,040,600,000 and transferring funds from the "Pensions" appropriation.

Analysis of Increases and Decreases
(dollars in thousands)

	FY 1981 Current Estimate	FY 1982 Estimate
Prior Year Obligations	$7,468,187	$8,584,739
Increases (+) and Decreases (-)		
PL 96-385 Compensation, and clothing allowance increases	+1,022,900	+6,500
Compensation caseload and average payment changes	+98,482	+66,661
Changes in benefit overpayments collectable from beneficiaries	-4,830	...
Estimated obligations	$8,584,739	$8,657,900

Explanation of Changes

Public Law 96-385, effective October 1, 1980, increased disability compensation for severely disabled veterans by 14.3%, disability compensation for less severely disabled veterans by 13%, and DIC rates for widows and children, by 14.3%. It also increased clothing allowances provided eligible veterans from $240 to $274. The benefits provided by this legislation will total $1,022.9 million in 1981, an additional $6.5 million is required to fully fund the 1982 cost.

The $98.5 million increase in 1981 and $66.7 million in 1982 reflect upward revisions of the total caseload, and revised average cost estimates due to greater number of veterans having dependents than estimated.

The $4.8 million change in overpayments represents a greater collection of overpayments from veterans and survivors.

Program Highlights
Compensation

	FY 1980 Actual	1981 Budget Estimate	1981 Current Estimate	FY 1982 Estimate	Increase (+) Decrease (-)
Caseload:					
Veterans	2,268,219	2,284,708	2,275,707	2,281,007	+5,300
Survivors	359,180	359,613	357,908	357,862	-46
Clothing Allowance ...	(63,208)	(66,300)	(66,300)	(67,400)	(+1,100)
Total	2,627,399	2,644,321	2,633,615	2,638,869	+5,254
Unit Cost:					
Veterans	$2,691	$2,698	$3,089	$3,106	$+17
Survivors	3,744	3,696	4,297	4,342	+45
Clothing Allowance ...	238	238	273	274	+1
Total	$2,841	$2,839	$3,260	$3,281	+21
Cost (000)					
Veterans	$6,103,643	$6,163,200	$7,028,799	$7,085,400	$+56,601
Survivors	1,344,644	1,329,000	1,537,840	1,554,000	+16,160
Clothing Allowance ...	15,070	15,800	18,100	18,500	+400
Total	7,463,357	7,508,000	8,584,739	8,657,900	+73,161

Explanation of Changes

The above table shows the increased caseload and costs for the Compensation program for 1982. Unit cost increases for both veterans and survivors, coupled with an increase in veterans caseload, are responsible for the $73.2 million increase projected in 1982. The rising unit cost is the result of increases in average degree disability for veterans, a greater number of veterans with dependents, and higher than average benefit payments for new accessions to the DIC Program.

The veterans cost is expected to increase $56.6 million with survivors increasing $16.2 million. Clothing allowance cost is projected to increase by $.4 million.

Changes from the Original 1981 Budget Estimate

Major causes for deviation between the 1981 Budget and the Current Estimates are:

- o The enactment of PL 96-385.
- o Higher than anticipated average costs for both veterans and survivors.

The above factors had the combined effect of increasing the orginal 1981 appropriation estimate by $1,075.5 million to our current estimate of $8,583.5

Program Description

Compensation is a benefit payable as either a disability benefit or a survivorship benefit. Criteria for entitlement are based on a veterans disabilities incurred in or aggravated by his active military service; or his death, while on active duty or as the result of his service-connected disabilities if not on active duty. The rate payable is modified by such factors as degree of disability (live veterans), service rank (survivor of veterans),and number of dependents in both cases.

The major objectives are: (1) to compensate those living veterans who have suffered the loss of or reduction of earning capacity resulting from service-connected disabilities; and (2) to afford benefits to the spouses and dependents of veterans whose deaths was due to service or as a result of service-connected disabilities to make-up for the loss of a family income.

Program Activity

While the total number of compensation cases continued to rise in 1980, the pattern for veterans and survivors was quite different. Veteran cases are increasing as a result of Vietnam Era and Peacetime Service increases (a net increase of 36,323 cases on a September to September basis), while survivors cases declined due largely to parent deaths in World War II cases (a net decrease of 3,143 cases).

The number of veterans with dependent cases continued to rise in 1980 with those cases increasing by 27,616 and the number of dependents by 23,972.

The effect of the Presidential proclamation (No. 4373) ending the Vietnam Era wartime period as of May 7, 1975, continues to cause the Peacetime rather than Vietnam Era war period, to play a more significant role in the redistribution of caseloads by service period, for both veterans and survivor. As an example, in FY 1980 the Peacetime category experienced a net increase of 19,720 veteran cases while, in FY 1979, the increase was 16,328. In FY 1980 the Vietnam Era category experienced a net increase of 16,603 veteran cases while, in FY 1979, the increase was 19,242.

Proposed Legislation

Legislation will be proposed to provide an ~~12.3%~~ 11.2% Compensation rate increase for veterans, DIC spouses, children and clothing allowance recipients effective October 1, 1981. The cost of this legislation is estimated to be ~~$1,036.8~~ $946.0 million in FY 1982.

The effects of this proposal has not been reflected in the appropriation request.

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COMPENSATION
SUMMARY OF REQUIREMENTS
(Cost Totals In Thousands Of Dollars)

	FY 1980			FY 1981			FY 1982		
	Average Cases	Average Cost	Total Cost	Average Cases	Average Cost	Total Cost	Average Cases	Average Cost	Total Cost
Compensation – Total	2,627,399	$ 2,841	$7,463,357	2,633,615	$ 3,260	$8,584,739	2,638,869	$ 3,281	$8,657,900
Veterans – Total	2,268,219	2,691	6,103,643	2,275,707	3,089	7,028,799	2,281,007	3,106	7,085,400
Spanish-American War	3	7,000	21	3	8,000	24	3	8,000	24
Mexican Border Period	4	11,750	47	4	13,250	53	4	13,250	53
World War I	31,702	3,274	103,788	28,300	3,770	106,680	24,300	3,789	92,070
World War II	1,204,369	2,530	3,047,037	1,182,000	2,903	3,431,302	1,162,100	2,922	3,395,940
Korean Conflict	236,296	3,038	717,772	235,000	3,474	816,390	234,600	3,484	817,330
Vietnam Era	545,008	2,745	1,495,831	556,400	3,142	1,748,270	563,000	3,150	1,773,450
Peacetime Service	250,837	2,947	739,148	274,000	3,380	926,080	297,000	3,389	1,006,533
Survivors – Total	359,180	3,744	1,344,644	357,908	4,297	1,537,840	357,862	4,342	1,554,000
Indian Wars									
Civil War	6	4,167	25	6	5,000	30	5	6,000	30
Spanish-American War	144	4,257	613	125	4,960	620	105	5,000	525
Mexican Border Period	2	4,500	9	2	5,500	11	2	5,500	11
World War I	30,644	4,220	129,329	29,900	4,839	144,690	29,100	4,869	141,688
World War II	174,773	3,289	574,742	172,500	3,766	649,677	170,500	3,770	642,812
Korean Conflict	39,203	3,604	141,292	39,175	4,106	160,840	39,150	4,134	161,846
Vietnam Era	64,740	4,271	276,498	65,800	4,936	324,807	67,100	5,082	340,986
Peacetime Service	49,668	4,472	222,136	50,400	5,102	257,165	51,900	5,127	266,102
Clothing Allowance Total	(63,208)	238	15,070	(66,300)	273	18,100	(67,400)	274	18,500

FY 1981 CHANGE IN REQUIREMENTS
(Cost Totals In Thousands Of Dollars)

	FY 1981 Budget Estimate			FY 1981 Current Estimate			Net Change		
	Average Cases	Average Cost	Total Cost	Average Cases	Average Cost	Total Cost	Average Cases	Average Cost	Total Cost
Compensation – Total	2,644,321	$ 2,839	$7,508,000	2,633,615	$ 3,260	$8,584,739	-10,706	$ +421	$+1,076,739
Veterans – Total	2,284,708	2,698	6,163,200	2,275,707	3,089	7,028,799	-9,001	+391	+865,599
Spanish-American War	3	4,650	14	3	8,000	24	–	+3,350	+10
Mexican Border Period	5	9,295	46	4	13,250	53	-1	+3,955	+7
World War I	28,300	3,336	94,410	28,300	3,770	106,680	–	+434	+12,270
World War II	1,183,800	2,523	2,987,210	1,182,000	2,903	3,431,302	-1,800	+380	+444,092
Korean Conflict	235,500	3,048	717,776	235,000	3,474	816,390	-500	+426	+98,614
Vietnam Era	563,900	2,740	1,545,129	556,400	3,142	1,748,270	-7,500	+402	+203,141
Peacetime Service	273,200	2,996	818,615	274,000	3,380	926,080	+800	+384	+107,465
Survivors – Total	359,613	3,696	1,329,000	357,908	4,297	1,537,840	-1,705	+601	+208,840
Indian Wars	1	3,155	3	–	–	–	-1	-3,155	-3
Civil War	5	4,005	20	6	5,000	30	+1	+995	+10
Spanish-American War	105	4,180	439	125	4,960	620	+20	+780	-181
Mexican Border Period	2	4,525	9	2	5,500	11	–	+975	+2
World War I	29,800	4,199	125,140	29,900	4,839	144,690	+100	+640	+19,550
World War II	170,900	3,181	543,687	172,500	3,766	649,677	+1,600	+585	+105,990
Korean Conflict	39,100	3,547	138,673	39,175	4,106	160,840	+75	+559	+22,167
Vietnam Era	69,700	4,300	299,747	65,800	4,936	324,807	-3,900	+636	+25,060
Peacetime Service	50,000	4,426	221,282	50,400	5,102	257,165	+400	+676	+35,883
Clothing Allowance Total	(66,300)	238	15,800	(66,300)	273	18,100	–	+35	+2,300

COMPENSATION

PROGRAM TRENDS

CHARACTERISTICS OF VETERANS COMPENSATION CASES

FY	Total Vets.	Vets. < 50%	%	Vets. > 50%	%	Vets. w/dep.	%	No. of Dependents	Dep/ Case	Avg. degree of disability
1976	2,232,213	1,743,838	78.1	488,375	21.9	371,411	16.6	711,307	1.92	30.62
1977	2,247,315	1,750,442	77.9	496,873	22.1	379,908	16.9	697,484	1.84	30.73
1978	2,258,790	1,757,091	77.8	501,699	22.2	384,241	17.0	686,797	1.79	30.74
1979	2,266,243	1,762,417	77.8	503,826	22.2	669,978*	29.7	1,176,302	1.76	30.74
1980	2,273,589	1,769,687	77.8	503,902	22.2	697,594*	30.8	1,200,274	1.72	30.69

DEGREE OF DISABILITY

FY	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
1976	28,483	870,404	346,999	315,762	182,190	112,928	119,003	81,196	39,057	13,440	122,751
1977	28,039	872,817	350,069	316,149	183,368	113,982	121,450	84,922	39,939	13,714	122,866
1978	27,687	876,374	352,850	316,372	183,808	114,649	123,115	87,540	40,677	13,973	121,745
1979	27,390	878,620	354,645	316,900	184,862	114,721	124,044	89,236	40,786	13,945	121,094
1980	27,130	883,474	356,290	316,987	185,806	114,552	124,571	89,678	39,988	14,039	121,074

* With enactment of PL 95-479 entitlement for additional compensation for dependents was provided to veterans rated 30% or more disabled; prior to this entitlement was based on veterans rated 50% or more disabled.

Program Trends (Cont'd)

Survivor Compensation is payable to surviving spouses, children and dependent parents of a serviceperson or veteran who died from service-connected cause not the result of willful misconduct.

Composition of Survivor Compensation Cases

FY	Total Cases	Death Comp.	%	DIC	%
1976	367,601	84,355	22.9	283,246	77.1
1977	364,881	75,722	20.8	289,159	79.2
1978	362,189	69,520	19.2	292,669	80.8
1979	360,688	64,018	17.7	296,670	82.3
1980	357,971	57,837	16.2	300,134	83.8

Survivor Compensation Cases and Beneficiaries

FY	Total Cases	Total Beneficiaries	Spouses	Children	Parents	Benef./ Case
1976	367,601	482,957	216,112	102,789	164,056	1.31
1977	364,881	474,377	223,533	98,705	152,139	1.30
1978	362,189	463,919	228,915	92,434	142,570	1.28
1979	360,688	454,009	235,790	85,940	132,279	1.26
1980	357,971	443,772	241,488	80,025	122,259	1.24

Program Trends (Cont'd)

Death Compensation is payable to the surviving spouse, unmarried children under 18 (or until 23 if attending a VA-approved school), helpless children, and dependent parents of servicepersons or veterans who died before January 1, 1957, from a service-connected cause not the result of willful misconduct.

Death Compensation Cases and Beneficiaries

FY	Total Cases	Total Beneficiaries	Spouses	Children	Parents	Benef./Case
1976	84,355	94,343	151	22	94,170	1.12
1977	75,722	83,909	126	16	83,767	1.11
1978	69,520	76,515	118	16	76,381	1.10
1979	64,018	70,041	117	15	69,909	1.09
1980	57,837	62,925	80	3	62,842	1.09

Dependency and Indemnity Compensation (DIC) is payable to surviving spouses, unmarried children under 18 (as well as certain helpless children and those between 18 and 23 if attending a VA-approved school) and certain parents of veterans or servicepersons whose service-connected death occurred on or after January 1, 1957. If the veteran's death occurred before January 1, 1957, his survivors have a right to elect dependency and indemnity compensation; however, they may not reelect to receive death compensation.

Dependency and Indemnity Compensation Cases and Beneficiaries

FY	Total Cases	Total Beneficiaries	Spouses	Children	Parents	Benef./Case
1976	283,246	388,614	215,961	102,767	69,886	1.37
1977	289,159	390,468	223,407	98,689	68,372	1.35
1978	292,669	387,404	228,767	92,418	66,189	1.32
1979	296,670	383,966	235,671	85,925	62,370	1.29
1980	300,134	380,847	241,408	80,022	59,417	1.27

NOTE: FY 1976 - Program trend data as of June.
FY 1977 to FY 1980 - Program trend data as of September.

FY 1982 Congressional Budget Submission
Pensions
Appropriation Language

For the payment of pension benefits to or on behalf of veterans as authorized by law(38 U.S.C. chapters 15, 51, 53, 55, and 61; 92 Stat. 2508), ~~$4,106,000,000~~ $4,094,900,000, to remain available until expended.

[For the payment of compensation, pensions, gratuities, and allowances, including burial awards, plot allowances, burial flags, headstones and grave markers, emergency and other officers' retirement pay, adjusted-service credits and certificates, and other benefits as authorized by law; and for payment of premiums due on commercial life insurance policies guaranteed under the provisions of article IV of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, $11,602,000,000 to remain available until expended.] (Department of Housing and Urban Development - Independent Agencies Appropriation Act, 1981)

Explanation of Language Change

It is proposed to split the Compensation and Pensions appropriation into three new appropriation accounts: Compensation, Pensions, and Burial Benefits and Miscellaneous Assistance. This structure is recommended in order to achieve a more informative presentation of the budgetary requirements for these major benefit programs. Adoption of this new appropriation structure would more closely correspond to the functional program classification and facilitate program presentation.

Appropriation Highlights

	1980 Actual	1981 Estimate	1982 Estimate	Increase (+) Decrease (-)
		(dollars in thousands)		
Major activities:				
Veterans			$2,151,600	
Improved Law	$923,059	$1,644,600	~~$2,159,200~~	~~$+514,600~~ +507,000
Prior Law	1,264,391	853,500	621,100	-232,400
Old Law	39,629	31,500	26,200	-5,300
Total	$2,227,079	$2,529,600	~~$2,806,500~~ 2,798,900	~~$+276,900~~ +269,300
Survivors			679,200	
Improved Law	$344,974	$527,603	~~$680,700~~	~~$+165,097~~ +151,597
Prior Law	983,986	772,400	585,700	-186,700
Old Law	40,128	34,600	31,100	-3,500
Total	$1,369,088	$1,334,603	~~$1,299,500~~ 1,296,000	~~$-35,103~~ -38,603
Appropriation (adjusted)	$3,608,100	$3,860,500	~~$4,106,000~~	~~$+245,500~~ $4,094,900 +234,400
Obligations	$3,604,397	$3,864,203	~~$4,106,000~~	~~$+241,797~~ 4,094,900 +230,697
Cost	$3,596,167	$3,864,203	~~$4,106,000~~	~~$+241,797~~ 4,094,900 +230,697
Outlays	$3,585,368	$3,839,500	~~$4,085,000~~	~~$+245,500~~ 4,073,900 +234,400
Caseload:				
Veterans	941,042	907,000	878,000	-29,000
Survivors	1,132,145	1,058,000	989,000	-69,000
Total	2,073,187	1,965,000	1,867,000	-98,000

Summary of Budget Request

$4,094,900,000

Congress is being requested to approve a new appropriation account entitled "Pensions". It is also being requested to appropriate ~~$4,106,000,000~~ in fiscal year 1982 for this new account. This is ~~$245.5~~ million greater than the estimated 1981 level. The 1982 request is based upon an expected 98,000 decrease in pension caseload while the average payment is expected to increase from $1,967 to ~~$2,199~~.

$234.4 $2,193

Changes from Original 1981 Budget Estimates

	1981 Budget Estimate	1981 Current Estimate	Increase (+) Decrease (-)
	(dollars in thousands)		
Major Activities:			
Veterans			
Improved Law	$ 1,223,600	$1,644,600	$ +421,000
Prior Law	1,209,600	853,500	-356,100
Old Law	36,600	31,500	-5,100
Total	$ 2,469,800	$2,529,600	$ +59,800
Survivors:			
Improved Law	$ 478,500	$ 527,603	$ +49,103
Prior Law	945,000	772,400	-172,600
Old Law	38,600	34,600	-4,000
Total	$ 1,462,100	$1,334,603	$ -127,497
Appropriation	$ 3,903,000	$3,860,500	$ -42,500
Obligations/Cost	$ 3,931,900	$3,864,203	$ -67,697
Outlays	$ 3,856,000	$3,839,500	$ -16,500
Caseload:			
Veterans	967,000	907,000	-60,000
Survivors	1,121,000	1,058,000	-63,000
Total	2,088,000	1,965,000	-123,000

The significant differences in cost distributions and the sharp drop in caseloads are largely due to the enactment of the Improved Pension program which became effective January 1, 1979. Experience to date with this relatively new program has shown a substantial drop-off in prior law cost as large numbers of this closed population switch to the higher-paying Improved Pension program. The July, 1980 outreach effort resulted in approximately 50,000 veterans and 15,000 survivors switching to Improved Pension, substantially increasing Improved Pension cost.

Accessions to the Pensions program are lower than prior years due to higher income. Reduced accessions are the major factor in caseload reductions with further reductions occurring due to age delimiting for a large number of surviving child cases. The reduction in surviving child caseload will not be offset by accessions as in the past due to the Improved Pension requirement that all income must be counted in determining eligibility for this group.

A projected $42.5 million surplus in FY 1981 funds in the "Pensions" appropriation are to be transferred to the "Compensation" ($34.9 million) and "Burial Benefits and Miscellaneous Assistance" ($7.6 million) appropriations.

Analysis of Increases and Decreases

	FY 1981 Current Estimate	FY 1982 Estimate
	(dollars in thousands)	
Prior Year Obligations	$3,604,397	$3,864,203
Increases and Decreases:		
Improved Pension COL increases	+339,048	~~+336,296~~ 324,196
Pension caseload and average payment changes	-71,012	-93,499
Changes in benefit overpayment collectable from beneficiaries and undelivered orders	-8,230	...
Estimated Obligations	$3,864,203	~~$4,106,000~~ $4,094,900

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Explanation of Changes

Public Law 95-588, effective January 1, 1979, improved the pension program by establishing a new system of benefit payments designed to better meet the needs of pensioners. Payments are now increased automatically each year by the same percentage as the Social Security cost of living. Improved pension beneficiaries received a 14.3% increase effective July 1, 1980 and will receive the same percentage increase as Social Security each July 1 in the future (~~10.3%~~ 11.2% effective July 1, 1981). The additional benefits provided by the cost-of-living adjustments will total $339 million in 1981 and ~~$335~~ $324 million in 1982.

Changes in caseload and unit costs arising from the combined effects of such factors as: countable income, dependency, death, and transfers from Prior Law to Improved Pension are projected to reduce cost $71 million in 1981 and $93 million in 1982.

Program Highlights
Pensions

	1980 Actual	1981 Budget Estimate	1981 Current Estimate	1982 Estimate	Increase (+) Decrease (-)
Caseload:					
Veterans:					
Improved Law...	206,142	280,000	341,000	423,000	+82,000
Prior Law.....	694,755	650,000	534,000	428,000	-106,000
Old Law.....	40,145	37,000	32,000	27,000	-5,000
Total.....	941,042	967,000	907,000	878,000	-29,000
Survivors:					
Improved Law...	114,061	165,000	171,000	209,000	+38,000
Prior Law.....	958,938	900,000	835,000	733,000	-102,000
Old Law.....	59,146	56,000	52,000	47,000	-5,000
Total.....	1,132,145	1,121,000	1,058,000	989,000	-69,000
Total Cases.....	2,073,187	2,088,000	1,965,000	1,867,000	-98,000
Unit Cost:					
Veterans:					
Improved Law...	$ 4,478	$ 4,370	$ 4,823	$ ~~5,104~~ 5,086	$ ~~+281~~ +263
Prior Law.....	1,820	1,861	1,598	1,451	-147
Old Law.....	987	989	984	970	-14
Total.....	$ 2,367	$ 2,554	$ 2,789	$ ~~3,196~~ 3,188	$ ~~+407~~ +399
Survivors:					
Improved Law...	$ 3,024	$ 2,900	$ 3,085	$ ~~3,267~~ 3,223	$ ~~+182~~ +137
Prior Law.....	1,026	1,050	925	799	-126
Old Law.....	678	689	665	662	-3
Total.....	$ 1,209	$ 1,304	$ 1,261	$ ~~1,314~~ 1,310	$ ~~+53~~ +49
Total Unit Cost....	$ 1,735	$ 1,883	$ 1,967	$ ~~2,199~~ 2,193	$ ~~+232~~ +226
Cost(000):					
Veterans:					
Improved Law...	$ 923,059	$1,223,600	$ 1,644,600	$ ~~2,159,200~~ 2,151,600	$ ~~+514,600~~ +507,000
Prior Law.....	1,264,391	1,209,600	853,500	621,100	-232,400
Old Law.....	39,629	36,600	31,500	26,200	-5,300
Total.....	$2,227,079	$2,469,800	$ 2,529,600	$ ~~2,886,500~~ 2,798,900	$ ~~+276,900~~ +269,300
Survivors:					
Improved Law...	$ 344,974	$ 478,500	$ 527,603	$ ~~682,708~~ 679,300	$ ~~+155,097~~ +151,597
Prior Law.....	983,986	945,000	772,400	585,700	-186,700
Old Law.....	40,128	38,600	34,600	31,100	-3,500
Total.....	$1,369,088	$1,462,100	$ 1,334,603	$ ~~1,299,500~~ 1,296,000	$ ~~-36,103~~ -38,603
Total Cost.....	$3,596,167	$3,931,900	$ 3,864,203	$ ~~4,186,000~~ # 4,094,900	$ ~~+241,797~~ +230,697

Explanation of Changes

The $~~241.0~~ 230.7 million cost increase is primarily the result of the ~~12.3%~~ 11.2% automatic cost-of-living increase of July 1982 as compounded by similar increases in 1980 (9.9%) and 1981 (14.3%). These automatic increases are the result of the Veterans' and Survivors' Pension Improvement Act of 1978 (PL 95-588), effective January 1, 1979, which provides for automatic annual cost-of-living increases for the Improved Pension program. The projected 98,000 caseload decrease is due primarily to surviving child delimiting terminations in the survivor population and, to a lesser extent, fewer accessions to the veteran rolls.

Changes from Original 1981 Budget Estimate

The decrease of $67.7 million from the 1981 budget estimate is due principally to the effects of the Improved Pension program which became effective in January, 1979. Cost decreases in the Prior Pension program in FY 1981 more than offset increases in the Improved Pension program. The cost decreases in the Prior Pension program occur largely as a result of increased numbers of cases switching to higher-paying Improved Pension. The 123,000 caseload reduction from the 1981 budget estimate is due to fewer accessions to the Pension program because of income and, in the case of the survivor population a large number of surviving child terminations due to age delimiting.

Program Description

Pension is paid to a veteran or his survivor(s). Veterans ~~entitlement~~ is based on active duty service of a specific length (normally 90 days or more) during a designated war period, disabilities considered permanent and total, and countable income below a given level. For survivorship cases, there is no disability requirement. The rate payable for both Disability and Death Pension is predicated on a recipient's countable income and prescribed by law, and the number of dependents for which additional benefits may be paid.

Since the amount of pension payable to a recipient bears an inverse relationship to the recipients countable income, the level of funding required for this benefit is extremely sensitive to across the board changes in programs like Social Security, Railroad Retirement, and other types of retirement incomes. The requirements for entitlement to pension benefits suggest that a large majority will in fact draw Social Security or a similar retirement benefit. Consequently caseload and average cost data contained in the following Pension tables reflect projected Social Security cost-of-living increases and like increases in similar programs.

The Veterans' and Survivors' Pension Improvement Act of 1978, effective January 1, 1979 (PL 95-588), revised the Pension payment computation method for new accessions. Current beneficiaries are permitted to remain under the PL 86-211 program and are granted automatic increases in income limits according to the increase in the cost of living. Payments for PL 95-588 beneficiaries are computed by reducing dollar-for-dollar, their income from income standards specified in the Act. PL 95-588 provides for automatic annual increases in the income standards of the same percentage as Social Security and effective on the same date in order that pension payments will not be reduced solely as a result of Social Security payment increases.

Program Activity

The average caseload of the pension program decreased by 145,770 cases in FY 1980 from the FY 1979 average caseload of 2,218,957. During FY 1980, 194,225 new cases began receiving benefits, while at the same time, 339,995 cases were terminated for various reasons such as death, excess income, failure to file, and age limitation for children.

In addition, there were 246 veterans receiving the $200 per month special pension of Medal of Honor recipients.

PENSIONS
SUMMARY OF REQUIREMENTS
(Cost Totals In Thousands Of Dollars)

	FY 1980			FY 1981			FY 1982		
	Average Cases	Average Cost	Total Cost	Average Cases	Average Cost	Total Cost	Average Cases	Average Cost	Total Cost
Pensions – Total	2,073,187	$ 1,735	$3,596,167	1,965,000	$ 1,967	$3,864,203	1,867,000	# 2,193	$ 4,094,900
Veterans – Total	941,042	2,367	2,227,079	907,000	2,789	2,529,600	878,000	3,188	2,798,900
Spanish-American War	162	2,387	386	131	2,392	313	91	2,432	221
Mexican Border Period	203	2,328	472	164	2,332	382	113	2,400	292
World War I	180,435	2,401	433,300	156,835	2,725	427,450	135,345	2,877	389,341
World War II	664,495	2,274	1,511,355	653,425	2,723	1,779,090	645,180	3,185	2,054,825
Korean Conflict	80,236	2,872	230,476	80,835	3,335	269,615	81,590	3,649	297,756
Vietnam Era	15,491	3,298	51,085	15,593	3,382	52,745	15,665	3,599	56,373
Special Acts	20	238	5	17	274	5	16	313	5
Survivors – Total	1,132,145	1,209	1,369,088	1,058,000	1,261	1,334,603	989,000	1,310	1,296,000
Indian Wars	47	1,174	55	42	1,185	50	37	1,187	44
Civil War	199	1,047	209	179	1,066	191	155	1,081	168
Spanish-American War	13,827	1,311	18,130	12,410	1,337	16,586	10,777	1,348	14,526
Mexican Border Period	542	920	498	487	936	456	423	943	399
World War I	476,893	1,073	511,505	457,720	1,143	523,116	446,085	1,220	544,150
World War II	516,696	1,301	672,289	469,545	1,329	624,255	419,365	1,343	563,359
Korean Conflict	95,589	1,334	127,550	90,480	1,438	130,138	86,265	1,544	133,195
Vietnam Era	28,342	1,371	38,845	27,128	1,467	39,804	25,885	1,551	40,154
Special Acts	10	709	7	9	745	7	8	762	6

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FY 1981 CHANGE IN REQUIREMENTS
(Cost Totals In Thousands Of Dollars)

	FY 1981 Budget Estimate			FY 1981 Current Estimate			Net Change		
	Average Cases	Average Cost	Total Cost	Average Cases	Average Cost	Total Cost	Average Cases	Average Cost	Total Cost
Pensions – Total	2,088,000	$1,883	$3,931,900	1,965,000	$1,967	$3,864,203	-123,000	$ +84	$ -67,697
Veterans – Total	967,000	2,554	2,469,800	907,000	2,789	2,529,600	-60,000	+235	+59,800
Spanish-American War	132	2,455	324	131	2,392	313	-1	-63	-11
Mexican Border Period	130	2,238	291	164	2,332	382	+34	+94	+91
World War I	161,715	2,664	430,860	156,835	2,725	427,450	-4,880	+61	-3,410
World War II	705,125	2,473	1,744,060	653,425	2,723	1,779,090	-51,700	+250	+35,030
Korean War	82,620	2,982	246,350	80,835	3,335	269,615	-1,785	+353	+23,265
Vietnam Era	17,259	2,776	47,909	15,593	3,383	52,745	-1,666	+607	+4,836
Special Acts	19	324	6	17	274	5	-2	-50	-1
Survivors – Total	1,121,000	1,304	1,462,100	1,058,000	1,261	1,334,603	-63,000	-43	-127,497
Indian Wars	40	1,400	56	42	1,185	50	+2	-215	-6
Civil War	178	1,208	215	179	1,064	191	+1	-144	-24
Spanish-American War	12,201	1,230	15,003	12,410	1,337	16,586	+209	+107	+1,583
Mexican Border Period	454	938	426	487	936	456	+33	-2	+30
World War I	479,980	1,218	584,690	457,720	1,143	523,116	-22,260	-75	-61,574
World War II	492,100	1,334	656,275	469,545	1,329	624,255	-22,555	-5	-32,020
Korean War	105,705	1,498	158,385	90,480	1,438	130,138	-15,225	-60	-28,247
Vietnam Era	30,335	1,551	47,043	27,128	1,467	39,804	-3,207	-84	-7,239
Special Acts	7	935	7	9	745	7	+2	-190	0

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PENSION PROGRAM TRENDS

"Old Law" refers to the pension program in existence prior to July 1, 1960 in which the benefit rate is fixed for all eligibles, regardless of specific countable income. Current income limits are $4,440 for veterans and surviving spouses without dependents, $6,405 for veterans and surviving spouses with dependents, and $4,440 for children.

Composition of "Old Law" Pension Cases

	Veterans				Surviving Spouse				
As of September	Number	%	Veterans Alone	Veterans w/Dependents	Number	%	Surv. Spouse Alone	Surv. Spouse w/ Children	Children Alone
1976	90,004	9.0	30,459	59,545	87,835	7.0	85,675	895	1,265
1977	70,256	6.8	23,563	46,693	79,099	6.2	77,156	734	1,029
1978	59,294	5.8	19,462	39,832	72,414	5.7	70,609	654	1,151
1979	44,995	4.6	15,130	29,865	61,632	6.5	61,068	546	1,197
1980	36,761	4.0	12,100	24,661	55,532	6.2	55,036	496	1,123

"PL 86-211" refers to the pension program in existence since July 1, 1960. Benefit rates are established by formula, and are reduced for each dollar of countable income. Current income limits under this law are $5,073 for veterans and surviving spouses without dependents, $6,822 for veterans and surviving spouses with dependents, and $4,145 for surviving children.

Composition of "PL 86-211" Pension Cases

1976	913,207	91.0	343,319	569,888	1,175,371	93.0	743,670	140,002	291,699
1977	960,891	93.2	364,780	596,111	1,188,575	93.8	779,401	133,659	275,515
1978	964,772	94.2	365,602	599,170	1,187,647	94.3	796,995	127,560	263,092
1979	782,076	80.3	276,760	505,316	802,764	84.7	696,071	106,693	257,120
1980	604,592	65.6	191,121	413,471	699,510	77.6	614,071	85,439	221,044

"Improved Pension" refers to the pension program in existence since January 1, 1979. Benefit rates are established by income standards which are reduced dollar for dollar for each dollar of beneficiary income. Current income standards for "Improved Pension" are $4,460 for veterans without dependents, $5,844 for veterans with one dependent, $2,989 for a surviving spouse without dependents, $3,915 for a surviving spouse with one dependent, and $755 for surviving children.

Composition of "Improved Pension" Cases

1979	146,810	15.1	98,412	48,398	82,844	8.8	80,559	2,285	564
1980	280,272	30.4	179,187	101,085	145,632	16.2	140,494	5,138	1,302

Average Countable Income of Veterans
(as of April)

FY	"Old Law"		"PL 86-211"		"Improved Law"	
	Vets Alone	Vets w/deps.	Vets Alone	Vets w/deps.	Vets Alone	Vets w/ deps.
1976	$1,671	$2,491	$1,395	$2,298	...	...
1977	$1,799	$2,655	$1,479	$2,451	...	...
1978	$1,938	$2,766	$1,588	$2,614	...	...
1979	$1,854	$2,782	$1,489	$2,281	$ 656 2/	$ 948 2/
1980	$1,983	$2,805	$1,674	$2,352	$1,029	$1,555

Average Countable Income of Survivors
(as of April)

FY	"Old Law"			"PL 86-211"			"Improved Law"		
	Surv. Spouse Alone	Surv. Spouse w/ children	Surv. children 1/	Surv. Spouse Alone	Surv. Spouse w/children	Surv. children 1/	Surv. Spouse Alone	Surv. Spouse w/ children	Surv. Children
1976	$1,968	$2,362	*	$1,607	$1,906	*	...	...	...
1977	$2,094	$2,472	*	$1,675	$2,013	*	...	...	...
1978	$2,230	$2,619	*	$1,821	$2,141	*	...	...	
1979	$2,244	$2,670	*	$1,661	$1,836	*	$131 2/	$395 2/	$ 33 2/
1980	$2,224	$2,699	*	$1,726	$1,795	*	$366	$978	$ 98

NOTE: FY 1976 Program data are as of June except where indicated. FY 1977 - FY 1980 Program trend data are as of September, except where indicated.

1/ After Entitlement is established for surviving child cases, there is no requirement for an annual submission of income data.

2/ Based on partial-year data.

FY 1982 CONGRESSIONAL BUDGET SUBMISSION
BURIAL BENEFITS AND MISCELLANEOUS ASSISTANCE

APPROPRIATION LANGUAGE

For the payment of burial benefits, emergency and other officers' retirement pay, adjusted - service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under the provisions of article IV of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, and by other benefits as authorized by law (38 U.S.C. 107, 412, 617, 777, and 806, chapters 23, 51, 53, 55,and 61; 50 U.S.C. App. 540-548; 43 Stat. 122, 123; 45 Stat. 735; 76 Stat. 1198), $204,000,000, to remain available until expended.

[For the payment of compensation, pensions, gratuties, and allowances including burial awards, plot allowances, burial flags, headstones and grave makers, emergency and other officers' retirement pay, adjusted-service credits and certificates, and other benefits as authorized by law; and for payment of premiums due on commercial life insurance policies guaranteed under the provisions of article IV of the Soldiers' and Sailors' Civil Relief Act of 1940 as amended, $11,602,000,000, to remain available until expended.] (Department of Housing and Urbasn Development - Independent Agencies Appropriation Act, 1981.)

Explanation of Language Change

It is proposed to split the Compensation and Pensions appropriation into three new appropriation accounts: Compensation, Pensions, and Burial Benefits and Miscellaneous Assistance. This structure is recommended in order to achieve a more informative presentation of the budgetary requirements for these major benefit programs. Adoption of this new appropriation structure would more closely correspond to the functional program classification and facilitate program presentation.

Appropriation Highlights

	1980 Actual	1981 Estimate	1982 Estimate	Increase (+) Decrease (-)
		(dollars in thousands)		
Major Activities:				
1. Burial Benefits				
Burial Allowances	$110,408	$118,186	$119,885	$+1,699
Burial Plot	42,828	45,750	46,500	+750
Flags, Markers/Allowances	18,627	22,188	23,114	+926
Total	$171,863	$186,124	$189,499	$+3,375
2. Miscellaneous Assistance				
Invalid Lifts and devices	$7,887	$8,175	$8,325	$+150
Insurance	3,200	3,925	4,400	+475
All other	2,201	1,959	1,776	-183
Total	$13,288	$14,059	$14,501	$+442
Appropriation (adjusted)	$185,700	$198,600	$204,000	$+5,400
Obligation/Costs	$185,152	$200,183	$204,000	$+3,817
Outlays	$183,213	$198,100	$203,600	$+5,500

Summary of Budget Request

Congress is being requested to approve a new appropriation account entitled "Burial Benefits and Miscellaneous Assistance". Congress is also being requested to appropriate $204,000,000, in fiscal year 1982 for this new account.

Changes from Original 1981 Budget Estimates

	1981		
	Budget Estimate	Current Estimate	Increase (+) Decrease (-)
	(dollars in thousands)		
Major Activities:			
1. Burial Benefits			
Burial Allowance	$110,133	$118,186	$+8,053
Burial Plot	44,250	45,750	+1,500
Flags, Markers/Allowance	18,117	22,188	+4,071
Total	$172,500	$186,214	$+13,624
2. Miscellaneous Assistance			
Invalid Lifts and Devices	$13,445	$8,175	$-5,270
Insurance	3,301	3,925	+624
All other	1,754	1,959	+205
Total	$18,500	$14,059	$-4,441
Appropriation (adjusted)	$191,000	$198,600	$+7,600
Obligations/Costs	$191,000	$200,183	$+9,183
Outlays	$190,000	$198,100	$+8,100

The above chart reflects changes to the original FY 1981 budget estimates for Burial Benefits and Miscellaneous Assistance. The increase of $7.6 million in the appropriation request is attributable to a greater number of veteran deaths and increased average cost for burial benefits, partially offset by a revised estimate in the number and average cost of invalid lifts and devices reflecting the FY 1980 experience.

The increased requirements will be provided for by a transfer of funds from the "Pensions" appropriation.

Analyses of Increases and Decreases
(dollars in thousands)

	FY 1981 Current Estimate	FY 1982 Estimate
Prior Year Obligations	$185,152	$200,183
Increases (+) and Decreases (-):		
Burial workload and average payment changes	+14,261	+3,375
Miscellaneous workload and average payment changes	+771	+442
Estimated obligations	$200,183	$204,000

Explanation of Changes

The increased number of veteran deaths experienced in FY 1980 affect all areas of the burial program and is projected to continue for FY 1981 and FY 1982. The increase in Miscellaneous Assistance is primarily the result of greater government contributions towards Veterans Mortgage Life Insurance and a slight increase in the number and average cost of invalid lifts and devices.

PROGRAM HIGHLIGHTS

Burial Benefits

	1980 Actual	FY 1981 Budget Estimate	FY 1981 Current Estimate	1982 Estimate	Increase (+) Decrease (-)
Workload:					
Burial Allowance	324,033	325,000	340,000	345,000	+5,000
Burial Plot	293,245	295,000	305,000	310,000	+5,000
Service Connected Deaths	10,083	10,500	10,500	10,500	...
Burial Flags	272,743	305,000	315,000	320,000	+5,000
Headstone/Markers	203,966	220,000	234,200	235,000	+800
Headstone Allowance	35,412	25,000	36,000	36,000	...
Cost: (dollars in thousands)					
Burial Allowance	$101,078	$100,113	$108,211	$109,910	$+1,699
Burial Plot	42,828	44,250	45,750	46,500	+750
Service Connected Deaths	9,330	9,975	9,975	9,975	...
Burial Flags	4,895	5,472	6,300	7,040	+740
Headstone/Markers	11,935	11,440	14,052	14,220	+168
(Transportation Costs)	(1,800)	(1,744)	(1,925)	(1,940)	(+15)
Headstone Allowance	1,797	1,250	1,836	1,854	+18
Total	$171,863	$172,500	$186,124	$189,499	$+3,375

Explanation of Changes

A continued projection of increases in the death rate is affecting all areas of the burial benefit programs administered by the Veterans Administration. The "Summary of Requirements" chart (found at the end of this section) shows the detail of anticipated increases for these benefits.

Changes from Original 1981 Budget Estimate

The death rate is increasing at a greater rate than previously anticipated, thus the increase from $172.5 million to $186.1 million in the current FY 1981 estimate.

Program Description

The Burial Benefits program provides for: (a) the payment of an allowance of $300 (plus transportation charges where death occurs under VA care) to reimburse in part, the burial and funeral expenses of a deceased veteran; (b) the payment of an allowance of $150 for a plot allowance where an eligible veteran is not buried in a national cemetery or other cemetery under the jurisdiction of the United States; (c) the payment of a burial allowance up to $1,100 when a veteran dies as the result of service-connected disability; (d) furnishing a flag to drape the casket of each deceased veteran entitled thereto; (e) furnish a headstone or marker for the grave of the veteran and in certain cases eligible dependents or; (f) provide an allowance towards its purchase.

Program Activity

The Veterans Administration administers a comprehensive burial benefits program for deceased veterans. The benefits have succeeded in helping defray a portion of funeral expenses incurred by veterans' survivors.

Miscellaneous Assistance

	1980 Actual	FY 1981 Budget Estimate	FY 1981 Current Estimate	1982 Estimate	Increase (+) Decrease (-)
Workload:					
Retired Officers	191	175	175	150	+25
Adjusted Service & Dep. Pay	4	4	4	3	-1
Special Allowance Dep	255	2,200	210	192	-18
Invalid Lifts & Devices	50,667	52,800	51,000	52,000	+1,000
Mortgage Insurance	5,913	6,035	6,050	6,150	+100
VGLI	465	...	2	...	-2
Soldiers' and Sailors' Civil Relief	...	1	...	...	...
Cost: (dollars in thousands)					
Retired Officers	$1,225	$1,050	$1,138	$1,005	$-133
Adjusted Service & Dep. Pay	18	4	20	20	...
Special Allowance Dep	958	700	800	750	-50
Invalid Lifts & Devices ...	7,887	13,445	8,175	8,325	+150
Mortgage Insurance	3,200	3,300	3,875	4,400	+525
VGLI	...	...	50	...	+50
Soldiers' & Sailors' Civil Relief	...	1	1	1	...
Total	$13,288	$18,500	$14,059	$14,501	$+442

Explanation of Changes

Increased contributions towards the Mortgage Protective Life Insurance, program and an increase in the number and average cost of invalid lifts and devices are the primary reasons for the $442 thousand increase in FY 1982 cost.

Changes from Original 1981 Budget Estimate

FY 1980 experience dictated a revision in our estimated average cost for invalid lifts and devices thereby contributing to the $4.4 million cost reduction in Miscellaneous Assistance for FY 1982. This decline is partially offset by anticipated gains in other program elements.

Program Description

The Miscellaneous Assistance portion of this appropriation provides for the following:

(a) Retired Officers - Emergency officers of World War I and certain officers of the Regular Establishment who have retired because of service-connected disability are entitled to special benefits.

(b) Adjusted Service and Dependence Pay - Claims made pursuant to the provisions of the World War Adjusted Compensation Act of 1924, as amended, are payable from this appropriation.

(c) Special Allowance Dependents - Under certain conditions, a special allowance (38 U.S.C. 412) is payable to dependents of certain veterans who died after December 31, 1956, but who were not fully and currently insured under the Social Security Act.

(d) Invalid Lifts and Other Devices - The Administrator, under 38 U.S.C. 617. may furnish invalid lifts and other devices to veterans in receipt of pension based on the need of regular aid and attendance.

(e) Mortgage Insurance - PL 92-95 approved August 11, 1971 provided mortgage protection life insurance for service-connected disabled veterans who have received grants for specially adapted housing. The maximum amount of this insurance is $40,000.

(f) Veterans Group Life Insurance - PL 93-289, effective August 1, 1974, provided that this appropriation pay the extra risk portion of the Veterans Group Life Insurance attributable to veterans service-connected disabilities.

(g) Soldiers' and Sailors' Civil Relief - Claims arising from the guarantee of premiums due on commercial life insurance policies held by servicepersons while in service and for two years after discharge are payable from this appropriation. This activity was formerly under the Soldiers' and Sailors' Civil Relief Fund.

BURIAL BENEFITS AND MISCELLANEOUS ASSISTANCE
SUMMARY OF REQUIREMENTS
(Cost Totals In Thousands Of Dollars)

	FY 1980			FY 1981			FY 1982		
	Number	Average Cost	Cost	Number	Average Cost	Cost	Number	Average Cost	Cost
Total Burial and Miscellaneous			$185,152			$200,183			$204,000
Burial Benefits – Total			171,863			186,124			189,499
Burial Allowance	324,033	$ 312	101,078	340,000	318	108,211	345,000	319	109,910
Burial Plot	293,245	146	42,828	305,000	150	45,750	310,000	150	46,500
Service Connected Deaths	10,083	925	9,330	10,500	950	9,975	10,500	950	9,975
Burial Flags	272,743	18	4,895	315,000	20	6,300	320,000	22	7,040
Headstone/Markers	203,966	59	11,935	234,200	60	14,052	235,000	61	14,220
Headstone Allowance	35,412	51	1,797	36,000	51	1,836	36,000	52	1,854
Miscellaneous Assistance – Total			13,288			14,059			14,501
Retired Officers	191	6,414	1,225	175	6,503	1,138	150	6,700	1,005
Adjusted Service & Dep. Pay	4	4,500	18	4	5,000	20	3	6,667	20
Special Allowance Dep	255	3,757	958	210	3,810	800	192	3,906	750
Invalid Lifts & Devices	50,667	156	7,887	51,000	160	8,175	52,000	160	8,325
Mortgage Insurance	5,913	541	3,200	6,050	640	3,875	6,150	715	4,400
VGLI	465	–	–	2	25,000	50	–	–	–
Soldiers' & Sailors' Civil Relief	–	–	–	–	–	1	–	–	1

FY 1981 CHANGE IN REQUIREMENTS
(Cost Totals In Thousands Of Dollars)

	FY 1981 Budget Estimate			FY 1981 Current Estimate			Net Change		
	Number	Average Cost	Cost	Number	Average Cost	Cost	Number	Average Cost	Cost
Total Burial and Miscellaneous			$191,000			$200,183			$ +9,183
Burial Benefits – Total			172,500			186,124			+13,624
Burial Allowance	325,000	308	100,113	340,000	318	108,211	+15,000	+10	+8,098
Burial Plot	295,000	150	44,250	305,000	150	45,750	+10,000	–	+1,500
Service Connected Deaths	10,500	950	9,975	10,500	950	9,975	–	–	–
Burial Flags	305,000	18	5,472	315,000	20	6,300	+10,000	+2	+828
Headstone/Markers	220,000	52	11,440	234,200	60	14,052	+14,200	+8	+2,612
Headstone Allowance	25,000	50	1,250	36,000	51	1,836	+9,000	+1	+586
Miscellaneous Assistance – Total			18,500			14,059			-4,441
Retired Officers	175	6,000	1,050	175	6,503	1,138	–	+503	+88
Adjusted Service & Dep. Pay	4	1,000	4	4	5,000	20	–	+4,000	+16
Special Allowance Dep	2,200	318	700	210	3,810	800	-1,990	+3,492	+100
Invalid Lifts & Devices	52,800	255	13,445	51,000	160	8,175	-1,800	-95	-5,270
Mortgage Insurance	6,035	547	3,300	6,050	640	3,875	+15	+93	+575
VGLI	–	–	–	2	25,000	50	+2	+25,000	+50
Soldiers' & Sailors' Civil Relief	1	1,000	1	–	–	1	-1	–	+1

FY 1982 CONGRESSIONAL BUDGET SUBMISSION
READJUSTMENT BENEFITS

APPROPRIATION LANGUAGE

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 21, 31, 32, 34-36, 39 and 51-61), [$1,822,308,000] $1,658,000,000, to remain available until expended. (Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981).

APPROPRIATION HIGHLIGHTS

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase (+) Decrease (-)
		(dollars in thousands)		
Major Activities:				
Education and Training	$2,261,653	$1,965,735	$1,598,716	$-367,019
Special Assistance to Disabled Veterans	$119,918	$130,523	$137,040	$+6,517
Appropriation (adjusted)	$2,373,535*	$2,039,808	$1,658,000	$-381,808
Obligations	$2,382,696	$2,055,262	$1,658,000	$-397,262
Costs	$2,381,571	$2,096,258	$1,735,756	$-360,502
Outlays	$2,416,976	$2,070,650	$1,668,000	$-402,650
Number of Trainees:				
Vietnam Era Veterans (Chapter 34)	1,106,889	846,900	645,600	-201,300
Post-Vietnam Era Veterans (Chapter 32)	1,947	9,500	13,500	+4,000
Dependents Training (Chapter 35)	95,584	90,600	86,900	-3,700
Vocational Rehabilitation (Chapter 31)	28,666	28,000	27,000	-1,000
Total	1,233,086	975,000	773,000	-202,000

*Includes $55,000,000 transferred from the Compensation and Pensions Appropriation

SUMMARY OF BUDGET REQUEST

Budget authority of $1,658,000,000 will be required in 1982 in order to finance education and rehabilitative assistance for 773,000 veterans and dependents. This request represents a decrease of $381.8 million when compared to the $2,039,808,000 appropriation request for 1981 including additional funding for a proposed supplemental. The primary factor for the decrease is the reduction in the number of Chapter 34 trainees.

CHANGES FROM ORIGINAL 1981 BUDGET ESTIMATE

	1981		
	Budget Estimate	Current Estimate	Increase (+) Decrease (-)
		(dollars in thousands)	
Major Activities:			
Education and Training	$1,743,596	$1,965,735	$+222,139
Special Assistance to Disabled Veterans	$117,030	$130,523	$+13,493
Appropriation (adjusted)	$1,822,308	$2,039,808	$+217,500
Obligations	$1,822,308	$2,055,262	$+232,954
Costs	$1,860,626	$2,096,258	$+235,632
Outlays	$1,837,308	$2,070,650	$+233,342
Number of trainees:			
Chapter 34	817,000	846,900	+29,900
Chapter 32	15,000	9,500	-5,500
Chapter 35	95,200	90,600	-4,600
Chapter 31	26,000	28,000	+2,000
Total	953,200	975,000	+21,800

There has been an increase of $235.6 million in program costs over our original estimate due to an upward revision in number of trainees, and the effects of PL 96-466, enacted October 17, 1980. This legislation provided for a 17% increase in monthly assistance allowances for vocational rehabilitation trainees and a two-step 10% increase in assistance allowances for Vietnam Era and dependent trainees.

ANALYSIS OF INCREASE AND DECREASE

	FY 1981 Current Estimate	FY 1982 Estimate
	(dollars in thousands)	
Prior Year Obligations	$2,382,696	$2,055,262
Increase (+) and Decrease (-)		
Legislation:		
PL 95-202 - Increase in work study allowance	+1,618	+135
PL 96-385 - Liberalization of Specially Adapted Housing Grants	+1,800	...
PL 96-466 - Educational assistance increase; enhancement of vocational rehabilitation program etc.	+151,250	+54,754
Education and training average payment and caseload changes	-438,117	-413,556
Special assistance to disabled veterans caseload and average payment changes	-1,863	-1,835
*Changes in selected resources	-42,122	-36,760
Estimated obligations	$2,055,262	$1,658,000

Explanation of Changes

- Public Law 95-202, enacted November 23, 1977, tied the work-study allowance to the hourly minimum wage in effect under section 6(a) of the Fair Labor Standards Act of 1938 as amended. The add-on-cost of this legislation is $1.6 million in FY 1981 and $.1 million in FY 1982. The 1981 figure represents the annualization of the work-study increase effective on January 1, of the previous fiscal year as well as the increase in the minimum wage (from $3.10 to $3.35) that took place on January 1, 1981. The 1982 figure represents the annualization of the January 1, 1981 increase.

- Public Law 96-385, enacted October 7, 1980, extended eligibility for Specially Adapted Housing Grants to veterans with service-connected blindness or the loss or loss of use of both upper extremities. These veterans can now receive grants of up to $5,000. The add-on-cost of this legislation is $1.8 million in FY 1981.

- Public Law 96-466, enacted October 17, 1980, provided a 17% increase in monthly assistance allowances for vocational rehabilitation trainees effective October 1, 1980. Certain other enhancements of the vocational rehabilitation program will take effect April 1, 1981. This law also provided a two-step 10% increase in monthly assistance allowances for Vietnam era and dependent trainees with the first 5% effective October 1, 1980 and the remainder effective on January 1, 1981. In addition, this legislation: modified the monthly payments for flight and correspondence trainees and incarcerated veteran trainees; lowered the minimum and raised the maximum contributions permitted by Post-Vietnam era servicepersons; and permitted lump sum payments by these contributors into their accounts. The add-on cost of this legislation in FY 1981 is $151.2 million. The 1982 cost of $54.8 million represents the annualization of those features of the law that did not take effect on October 1, 1980.

- The prime reason for the decrease in obligations in both FY 1981 and FY 1982 is the decline in the number of trainees, particularly Chapter 34 trainees. It is expected that nearly 260,000 fewer veterans and servicepersons will train in FY 1981 than trained in FY 1980 and that slightly more than 200,000 fewer will train in FY 1982 than trained in FY 1981.

Explanation of Changes (Continued)

- o As with obligations, the estimated decline in number of trainees is also expected to impact on changes in selected resources, as fewer educational overpayments are likely to be established.

Proposed Legislation

Legislation will be proposed to:

- o Eliminate flight and correspondence training effective 7/1/81 at an estimated savings of 6,000 trainees and $14.0 million in cost in FY 1982 and 45,600 trainees and $32.2 million in cost in FY 1982.

~~- o Extend the delimiting period for two years for Vietnam veterans in on-the-job training and educationally disadvantaged Vietnam veterans in vocational-technical or high school training at an additional cost of $63.0 million and 36,300 trainees.~~

The effects of ~~these~~ This proposal ~~have~~ has not been reflected in the appropriation request.

PROGRAM HIGHLIGHTS

Education and Training - Vietnam Era Veterans (Chapter 34)

	FY 1980 Actual	FY 1981 Budget Estimate	FY 1981 Current Estimate	FY 1982 Estimate	Increase (+) Decrease (-)
Trainees:					
College (IHL)	777,049	558,700	585,200	435,500	-149,700
Correspondence	24,374	19,300	18,200	15,800	-2,400
Flight	15,570	13,000	12,300	10,600	-1,700
On-Job Training	74,147	49,400	59,000	45,300	-13,700
Secondary & other	119,327	88,500	89,100	65,400	-23,700
Farm	6,782	7,600	5,100	4,000	-1,100
Work Study	(41,295)	(23,500)	(30,600)	(24,000)	(-6,600)
Total	1,017,249	736,500	768,900	576,600	-192,300
Unit Costs:					
College (IHL)	$2,008	$2,098	$2,316	$2,492	$+176
Correspondence	355	305	305	306	+1
Flight	2,909	2,500	2,000	1,506	-494
On-Job-Training	1,614	1,591	1,957	1,742	-215
Secondary & other	1,887	1,904	2,047	2,077	+30
Farm	2,654	2,666	2,933	2,975	+42
Work Study	482	554	538	548	+10
Total	$1,963	$2,024	$2,215	$2,334	$+119
Cost (000):					
College (IHL)	$1,560,081	$1,172,153	$1,355,204	$1,085,140	$-270,064
Correspondence	8,654	5,886	5,551	4,835	-716
Flight	45,294	32,500	24,600	15,964	-8,636
On-Job-Training	119,702	78,595	103,663	78,913	-24,750
Secondary & other	225,160	168,504	182,388	135,836	-46,552
Farm	17,999	20,262	14,958	11,900	-3,058
Work Study	19,893	13,019	16,463	13,152	-3,311
Total	$1,996,783	$1,490,919	$1,702,827	$1,345,740	$-357,087

Explanation of Changes

The above table shows that the anticipated decrease in cost is due to fewer trainees participating in the program. This decrease in trainees results from a declining pool of eligible veterans as more veterans reach their delimiting date. Those veterans who have lost their eligibility are being replaced by a much smaller number of separatees who are eligible for benefits.

Changes from Original 1981 Budget Estimate

Dollar estimates for FY 1981 Vietnam era veterans now reflect the effects of Public Law 96-466. This law increased monthly assistance allowances with a two-step 10% increase. The first 5% was effective on October 1, 1980 with the remainder taking effect on January 1, 1981. In addition, this legislation reduced the payments made to flight and correspondence trainees and modified the monthly payment made to incarcerated veterans. The current estimate also reflects a slight increase in the number of trainees over the 1981 budget estimate, based on recent training patterns.

Program Description

This program was established by PL 89-358 approved March 3, 1966, and is currently authorized by 38 U.S.C.chapters 34 and 36. It provides educational assistance allowances, mainly on a monthly basis, in order to restore lost educational opportunities to those individuals whose careers were interrupted or impeded by reason of active military service after January 31, 1955 and before January 1, 1977. In addition, tutorial assistance allowances, work-study allowances, and counseling services are available to eligible veterans.

Over the fourteen and a half years since its establishment, the program has undergone several major amendments in order to increase the monthly rates of payment and to liberalize the scope of benefits available.

Currently, the basic monthly rate for full-time institutional training by a single veteran is $342 and a single veteran in the first six months of an apprenticeship/OJT program receives $249 per month. Additional amounts are paid for dependents, and rates for half and three-quarter time institutional training are proportional to the full-time rates. Veterans training on a less than half-time basis, as well as certain persons training while on active military duty, are paid a lump-sum allowance to cover charges for tuition and fees, provided these charges do not exceed $342 per month for a full-time course. Trainees pursuing flight training receive 60% of the established charges for the course while correspondence trainees receive 70% of such charges. Single trainees in cooperative and farm cooperative programs receive $276 a month for full-time training. The above rates were provided by PL 96-466.

Under the provisions of PL 94-502, enacted October 15, 1976, any person entering the Armed Services after December 31, 1976 will not be entitled to participate in this program. Persons entering the Armed Services before that date will remain entitled to their benefits under these chapters for the ten-year period after their separation from active duty. No educational assistance will be provided any eligible veteran under chapters 34 and 36 after December 31, 1989.

For persons entering active military service after December 31, 1976, PL 94-502 provided a program under 38 U.S.C. chapter 32 entitled "Post-Vietnam Era Veterans' Educational Assistance Program." A program description for Chapter 32 benefits can be found immediately after the Chapter 34 program highlights.

Cumulatively, since inception of the program, nearly 7.7 million veterans and active duty personnel have received $32.1 billion in educational assistance through September 1980.

Program Activity

Over one million veterans received nearly $2.0 billion in educational assistance in FY 1980. This number of trainees is expected to decline to approximately 769,000 veterans receiving $1.7 billion in educational assistance in FY 1981. This reduction reflects the decrease in the number of eligible veterans as more veterans reach their delimiting date.

Education and Training - Servicepersons (Chapter 34)

	FY 1980 Actual	FY 1981 Budget Estimate	FY 1981 Current Estimate	FY 1982 Estimate	Increase (+) Decrease (-)
Trainees:					
College (IHL)	65,039	57,800	57,000	48,500	-8,500
Correspondence	17,728	16,400	14,500	14,440	-60
Flight	5,461	4,800	4,900	4,720	-180
Secondary & other	1,412	1,500	1,600	1,340	-260
Total	89,640	80,500	78,000	69,000	-9,000
Unit Cost:					
College (IHL)	$717	$650	$748	$757	$+9
Correspondence	337	302	311	297	-10
Flight	2,989	2,688	2,000	1,506	-494
Secondary & other	634	587	640	650	+10
Total	$779	$699	$744	$710	$-34
Cost (000):					
College (IHL)	$46,617	$37,570	$42,671	$36,714	$-5,957
Correspondence	5,965	4,953	4,514	4,287	-227
Flight	16,323	12,902	9,800	7,107	-2,693
Secondary & others	896	880	1,024	871	-153
Total	$69,801	$56,305	$58,009	$48,979	$-9,030

Explanation of Changes

As with Chapter 34 veterans, the Chapter 34 servicepersons show a decrease in costs that is a result of decreasing numbers of trainees. The decrease reflects the smaller number of servicepersons eligible for Chapter 34 benefits, since individuals entering the service on or after January 1, 1977, are not eligible for this program.

Changes from Original 1981 Budget Estimate

It is expected that there will be 2,500 fewer servicepersons in training in FY 1981 than originally anticipated. The $1.7 million increase in costs is due to recent rate increases enacted by Public Law 96-466, as well as a general increase in training costs that has been experienced in the past year.

Program Description

This program was established by PL 89-358 and is currently authorized by 38 U.S.C. chapters 34 and 36. Servicepersons with over 180 days of active duty, any part of which was before January 1, 1977, are eligible to participate. Payments are made in a lump-sum form to cover tuition and fees, provided these charges do not exceed $342 per month for a full-time course. Aside from the provision that service-persons do not receive a subsistance allowance, the programs available to them are the same as those described in the "Program Description for Veterans."

Program Activity

In FY 1980, 89,640 servicepersons trained at a cost of nearly $70 million. With the declining number of servicepersons who are eligible for Chapter 34 benefits, only 78,000 servicepersons will train in FY 1981 at a cost of over $58 million.

Education and Training - Post-Vietnam Era Veterans (Chapter 32)

	FY 1980 Actual	FY 1981 Budget Estimate	FY 1981 Current Estimate	FY 1982 Estimate	Increase (+) Decrease (-)
Trainees	1,947	15,000	9,500	13,500	+4,000
Unit Cost	$473	$500	$953	$1,019	$+66
Total Cost (000)	$922	$7,500	$9,050	$13,750	$+4,700

Explanation of Changes

PL 94-502, enacted October 15, 1976, established this education benefits program with an effective date of January 1, 1977. Since this program is newly established, all increases reflect the growth pattern as servicepersons leave the military and begin to pursue training.

Changes from Original 1981 Budget Estimate

The decrease in trainees is based on participation experience in the program to date. The increase in average cost results from the provision in Public Law 96-466, enacted October 17, 1980, that allows participants to make a lump sum payment into their account. This will increase the monthly payment that trainees would otherwise have received.

Program Description

This program was established by PL 94-502, enacted October 15, 1976, and is currently authorized under 38 U.S.C. chapter 32. The basic delimiting date is ten years after the date of last release or discharge from active duty on or after January 1, 1977. Benefits will be accumulated by including contributions from the participating serviceperson with matching funds from the VA at the rate of $2 for each $1 contributed by the participant. DOD may contribute an additional unspecified amount. The participant's contributions are limited to the range of $25-$100 monthly and a total maximum of $2,700. A participant may also make a lump sum contribution to their account subject to the $2,700 maximum. Entitlement is limited to a maximum of 36 months or the number of months of participation, whichever is less.

Program Activity

FY 1980 saw the first trainees in this program who have completed a full tour of military service. As more of the early contributors leave the service, training activity can be expected to increase.

Education and Training - Sons and Daughters (Chapter 35)

	FY 1980 Actual	FY 1981 Budget Estimate	FY 1981 Current Estimate	1982 Estimate	Increase (+) Decrease (-)
Trainees:					
College (IHL)	75,530	72,500	72,200	69,800	-2,400
On-Job-Training	503	500	500	450	-50
Secondary & Other	6,599	6,600	6,400	6,150	-250
Total	82,632	79,600	79,100	76,400	-2,700
Unit Costs:					
College (IHL)	$2,089	$2,085	$2,243	$2,267	$+24
On-Job-Training	1,457	1,454	1,532	1,547	+15
Secondary & Other	1,966	1,898	2,110	2,133	+23
Total	$2,075	$2,066	$2,228	$2,252	+24
Cost (000):					
College (IHL)	$157,758	$151,162	$161,966	$158,245	$-3,721
On-Job-Training	733	727	766	696	-70
Secondary & Other	12,971	12,527	13,502	13,118	-384
Total	$171,462	$164,416	$176,234	$172,059	$-4,175

Explanation of Changes

The number of sons and daughters in training is expected to decrease in 1982 to 76,400. This decrease results from a declining number of dependents of World War II veterans in training and a smaller number of dependents whose entitlement is derived from later service periods.

Changes from Original 1981 Budget Estimate

A decrease of 500 trainees partially offset by higher average costs will result in increased costs of $11.8 million. Public Law 96-466 provided a two-step 10% increase in assistance allowances.

Program Description

This program provides benefits to children of veterans who died of a service-connected disability or whose service-connected disability is rated permanent and total. In addition, children of servicepersons missing in action or interned by a hostile foreign government for more than 90 days are also eligible under this program.

The original law, PL 84-634, approved June 29, 1956, provided benefits only to the children of veterans who died from a war-time service-connected disability. Later amendments liberalized the coverage of the benefits in order to include eligible wives and children of veterans from all service periods since the start of the Spanish-American War on April 28, 1898, including eligible children of Philippine Commonwealth Army Veterans and of "new" Philippine Scouts. (Such Philippine nationals are paid at a rate in pesos equivalent to $.50 for each dollar.)

Various educational assistance allowance increases have been enacted over the years. Currently, the monthly rate for full-time institutional training is $342.

Initally, only institutional college and trade/technical training was permitted. This was liberalized by PL 92-540, approved October 24, 1972, to include on-job/apprenticeship training. PL 93-508 added cooperative farm training.

Cumulatively, since the inception of the program, 296,485 sons and daughters have trained through September 30, 1980.

Program Activity

In FY 1980, 82,632 sons and daughters trained at a cost of $171.5 million. In 1981, there will be 79,100 dependent children in training at a cost of $176.2 million.

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Education and Training - Wives and Widows (Chapter 35)

	FY 1980 Actual	FY 1981 Budget Estimate	FY 1981 Current Estimate	FY 1982 Estimate	Increase (+) Decrease (-)
Trainees:					
College (IHL)	10,750	12,560	9,600	8,700	-900
Correspondence	49	90	45	40	-5
On-Job-Training	38	50	40	35	-5
Secondary and other	2,115	2,900	1,815	1,725	-90
Total	12,952	15,600	11,500	10,500	-1,000
Unit Cost:					
College (IHL)	$1,728	$1,551	$1,670	$1,695	$+25
Correspondence	275	218	200	175	-25
On-Job-Training	1,374	1,327	1,325	1,343	+18
Secondary & Other	1,912	1,686	1,941	1,963	+22
Total	$1,751	$1,568	$1,706	$1,732	+26
Cost (000):					
College (IHL)	$18,576	$19,481	$16,030	$14,748	$-1,282
Correspondence	13	20	9	7	-2
On-Job-Training	52	66	53	47	-6
Secondary & Other	4,044	4,889	3,523	3,386	-137
Total	$22,685	$24,456	$19,615	$18,188	$-1,427

Explanation of Changes

The number of wives and widows in training is expected to decrease between 1981 and 1982. Trainees in 1980 were down 4,308 from 1979. This trend is expected to continue.

Changes from Original 1981 Budget Estimate

The reduction in trainees has been made to reflect the actual experience in FY 1980. Increases in average cost reflect the two-step increase of 10% provided by Public Law 96-466.

Program Description

This program provides benefits to wives and widows of veterans who died of a service-connected disability or whose service-connected disability is rated permanent and total. In addition, wives of servicemen missing in action, or interned by a hostile foreign government for more than 90 days, are also eligible under this program.

The original law, PL 84-634, approved June 29, 1956, provided benefits only to the children of veterans who died from a war-time service-connected disability. Later amendments liberalized the coverage of the benefits in order to include eligible wives and children of veterans from all service periods since the start of the Spanish-American War on April 28, 1898.

Various educational assistance allowance inreases have been enacted over the years. Currently, the monthly rate for full-time institutional training is $342.

Initially, only institutional college and trade/technical training was permitted. This was liberalized by PL 92-540, approved October 24, 1972, to include correspondence, on-job/apprenticeship, and high school training. PL 93-508 added cooperative farm training.

Cumulatively, since the inception of the program, 58,581 wives and widows have trained through September 30, 1980.

Program Activity

In FY 1980, nearly 13,000 wives and widows trained at a cost of $22.7 million. These figures are expected to decline to 11,500 trainees at a cost of $19.6 million in FY 1981.

Special Assistance to Disabled Veterans - Vocational Rehabilitation (Chapter 31)

	FY 1980 Actual	FY 1981 Budget Estimate	FY 1981 Current Estimate	FY 1982 Estimate	Increase (+) Decrease (-)
Number of Trainees	28,666	26,000	28,000	27,000	-1,000
Unit Cost	$3,069	$3,450	$3,629	$3,988	$+359
Total Cost ($000)	$87,980	$89,696	$101,609	$107,682	$+6,073
Work Study Cost ($000) ...	($1,082)	($958)	($1,019)	($1,005)	($-14)

Explanation of Increases and Decreases

Trainees are expected to decrease slightly from 1981 to 1982 as fewer disabled veterans are being added to the compensation rolls. The increase in average cost is related to expected increases in charges for tuition, books, supplies and equipment that will be furnished, as well as the effects of Public Law 96-466.

The primary cause in the increase for both trainees and cost for FY 1981 over the budget estimate is the enactment of Public Law 96-466. This law provided a 17% increase in monthly subsistence allowances effective October 1, 1980. Also this legislation provides new enhancements to this program effective April 1, 1981, which includes: additional services to disabled veterans and their families, extended evaluation to determine if the most severely disabled veterans might find suitable employment through a specialized rehabilitation program; and a program of independent living services that would help veterans, for whom rehabilitation is not feasible, achieve maximum independence in their daily lives. As a result, trainees are up 2,000 over the original budget estimate while costs are up nearly $12 million.

Program Description

This benefit originated in 1916 with the National Defense Act of 1916. PL 78-16, approved March 24, 1943, provided vocational rehabilitation for disabled World War II veterans. Later laws extended benefits to eligible disabled veterans who served after World War II. This program pays a monthly subsistence allowance, now $282 a month, for a single veteran in full-time institutional training, plus an allowance for tuition, books supplies and equipment.

As of September 30, 1980, nearly 842,000 disabled veterans had trained under the vocational rehabilitation program since July 1943, of these nearly 118,000 were disabled Vietnam era veterans.

Program Activity

In FY 1980, 28,666 disabled veterans received vocational rehabilitation training at a cost of nearly $88 million. With the enactment of PL 96-466, 28,000 veterans will train at a cost of $101.6 million.

Special Assistance to Disabled Veterans - Housing Grants

	FY 1980 Actual	FY 1981 Budget Estimate	FY 1981 Current Estimate	FY 1982 Estimate	Increase (+) Decrease (-)
Number of Grants	620	520	880	850	-30
Average Cost	$31,400	$30,000	$19,773	$20,000	$+227
Total Cost	$19,468	$15,600	$17,400	$17,000	$-400

Explanation of Increases and Decreases

It is anticipated that the number of housing grants will decline slightly in FY 1982 as the effects of PL 96-385, which liberalized eligibility, begin to subside.

Change from Original 1981 Budget Estimate

The increase in grants is based on the enactment of Public Law 96-385 which extended eligibility for these grants to veterans with service-connected blindness or the loss or loss of use of both upper extremities. Since the maximum for these grants is $5,000, the average cost has been adjusted accordingly.

Program Description

This program was originally established by PL 80-702, approved June 19, 1948. It currently provides grants of up to $30,000 to aid certain permanently and totally disabled veterans in acquiring a specially adapted housing unit with such fixtures or movable facilities as are made necessary by the nature of the veterans' disability. PL 95-117, enacted October 3, 1977 extended eligibility for housing grants to veterans who have lost or lost the use of one arm and one leg and who require canes, braces, crutches or wheelchairs for locomotion. PL 96-385, enacted October 7, 1980 extended eligibility for specially adapted housing grants to veterans with service-connected blindness or the loss or loss of use of both upper extremities. Grants for these veterans have a statutory maximum of $5,000.

Over $247.6 million has been expended for 17,232 homes since FY 1949.

Program Activity

In 1980, 620 grants were made. The average cost for these grants is in excess of the statutory maximum since some payments made in 1980 were for housing grants approved in 1979. With the enactment of PL 96-385 it is anticipated that 880 grants will be made in FY 1981 at a cost of $17.4 million.

Special Assistance to Disabled Veterans - Automobiles or Other Conveyances for Disabled Veterans

	FY 1980 Actual	FY 1981 Budget Estimate	FY 1981 Current Estimate	FY 1982 Estimate	Increase (+) Decrease (-)
Autos and other conveyances:					
No. of Conveyances	1,218	800	700	700	...
Average Cost	$3,768	$3,800	$3,800	$3,800	$...
Total Cost (000)	$4,589	$3,040	$2,660	$2,660	$...
Adaptive Equipment, etc.:					
No. of items	7,825	8,400	8,400	8,500	+100
Average Cost	$1,007	$1,035	$1,054	$1,141	$+87
Total Cost (000)	$7,881	$8,694	$8,845	$9,698	$+844

Explanation of Increases and Decreases

The number of conveyances will remain stable from 1981 through 1982 as the effect of the enactment of PL 95-116 begins to subside. This legislation extended eligibility for automobile grants and adaptive equipment to certain disabled veterans of World War I and the peacetime period between the World Wars.

The number of adaptive equipment items are expected to increase slightly in FY 1982 as veterans who gained eligibility through PL 95-116 return for replacement or repair of equipment.

The average cost of adaptive equipment (including maintenance, repair and installation) will continue to increase due to the continuation of the trend toward higher prices in the field of auto repairs.

Changes from Original 1981 Budget Estimate

The number of auto grants is expected to decrease slightly from the original estimate. Adaptive equipment cases will remain unchanged from the budget estimate but an estimated higher unit cost will increase the total cost by $160,000.

Program Description

This program was established for certain disabled World War II veterans by PL 79-663, approved August 8, 1946. It was later expanded to encompass eligible disabled veterans and servicepersons who have served since the start of World War II through the present. PL 95-116 enacted October 3, 1977 further extends eligibility to veterans of World War I and the peacetime period between the World Wars. The law currently provides for a grant of up to $3,800 for the purchase of an automobile or other conveyance for certain severely disabled veterans and servicepersons. It also provides for such adaptive equipment as is deemed necessary to insure safe operation of the vehicles. The basic grant is only paid once, however, the Agency will pay for the cost of installation, repairs and replacement of adaptive equipment on automobiles subsequently acquired by the eligible veteran. Cumulatively, through September 30, 1980, over $204.4 million has been expended under this program since its inception.

Program Activity

In 1980, 1,218 automobiles were purchased at a cost of $4.6 million. This is down from 1,337 automobiles at a cost of $4.9 million in FY 1979. In 1980, 7,825 items of adaptive equipment were approved at a cost of $7.9 million. This is down from 8,081 items of adaptive equipment in 1979 but up slightly in cost from $7.5 million.

READJUSTMENT BENEFITS
SUMMARY OF REQUIREMENTS
(Cost Totals in Thousands Of Dollars)

	FY 1980			FY 1981			FY 1982		
	Trainees	Average Cost	Total Cost	Trainees	Average Cost	Total Cost	Trainees	Average Cost	Total Cost
			$2,381,571			$2,096,258			$1,735,758
Total Chapters 34, 35, 31 and 32	1,233,086	1905	2,348,633	975,000	2,129	2,067,344	773,000	2,208	1,706,398
EDUCATION AND TRAINING									
Vietnam Era Veterans & Servicepersons - Total	1,106,889	1,847	2,066,584	846,900	2,079	1,760,836	645,600	2,131	1,384,719
Veterans - Total	1,017,249	1,963	1,996,783	769,900	2,215	1,702,927	576,600	2,234	1,345,740
College (IHL)	777,949	2,098	1,560,081	585,200	2,218	1,265,204	435,500	2,492	1,085,140
Non-College Degree (NCD)	166,053	1,759	297,157	134,700	1,824	227,497	95,800	1,758	168,535
Correspondence	24,374	358	8,654	18,200	306	5,551	15,800	306	4,835
Flight	15,570	2,909	45,294	12,300	2,000	24,600	10,600	1,306	16,064
Secondary and Other	119,327	1,887	225,160	89,100	2,047	182,388	65,400	2,077	135,836
Vocational/Technical*	106,800			78,100			57,000		
High School*	12,527			11,000			8,400		
Cooperative Farm	6,782	2,684	17,999	5,100	2,933	14,958	4,000	2,975	11,900
On-Job Training (OJT)	74,147	1,614	119,702	59,000	1,757	103,663	46,300	1,742	78,913
Work Study	(41,295)	482	19,893	(30,800)	538	16,483	(24,000)	548	13,152
Servicepersons - Total	89,640	779	69,801	76,000	744	56,509	69,000	710	48,979
College (IHL)	65,039	717	46,613	57,000	748	42,671	48,500	757	36,714
Non-College Degree (NCD)	24,601	942	23,184	21,000	730	15,338	20,500	598	12,265
Correspondence	17,728	337	5,985	14,500	311	4,514	14,440	297	4,287
Flight	5,481	2,989	16,323	4,900	2,000	9,800	4,720	1,506	7,107
Secondary and Other	1,412	634	896	1,600	640	1,024	1,340	650	871
Vocational/Technical*	1,216			1,400			1,200		
High School*	196			200			140		
Post-Vietnam Era Veterans - Total	1,947	473	922	9,500	953	9,050	13,500	1,019	13,750
Dependents - Total	88,584	2,031	194,147	90,600	2,162	195,849	86,900	2,189	190,247
Sons and Daughters - Total	82,632	2,075	171,462	79,100	2,229	176,234	76,400	2,262	172,868
College (IHL)	75,530	2,089	157,758	72,200	2,243	161,966	69,800	2,267	158,245
Non-College Degree (NCD)	4,569	1,866	12,971	6,400	2,110	13,502	6,110	2,133	13,118
Secondary and Other	6,538			6,350			6,105		
Special Restorative*	81			50			45		
On-Job Training (OJT)	503	1,457	733	500	1,532	766	450	1,547	696
Wives and Widows - Total	12,952	1,751	22,685	11,500	1,706	19,615	10,500	1,722	18,188
College (IHL)	10,766	1,736	18,576	9,600	1,870	16,000	8,700	1,699	14,749
Non-College Degree (NCD)	2,164	1,874	4,057	1,886	1,889	3,532	1,766	1,922	3,393
Correspondence	49	275	13	45	200	9	40	175	7
Secondary and Other	2,115	1,912	4,044	1,815	1,941	3,523	1,725	1,963	3,386
On-Job Training (OJT)	38	1,374	52	40	1,325	53	35	1,343	47
SPECIAL ASSISTANCE TO DISABLED VETERANS									
Vocational Rehabilitation	28,666	3,069	87,980	28,000	3,639	101,909	27,000	3,988	107,682
College (IHL)*	21,334			20,779			19,950		
Non-College Degree (NCD)	6,153			5,750			5,980		
Vocational/Technical*	5,148			4,370			4,550		
Elementary/Secondary*	412			400			380		
Special Rehabilitation/Independent Living*	545			930			1,000		
Homebound*	46			50			50		
Institutional On-Farm*	132			130			130		
On-Job Training (OJT)*	1,047			990			940		
Work Study	(3,197)	338	1,082	(3,000)	329	1,019	(3,000)	335	1,006
Housing Grants	920	21,400	19,488	880	19,773	17,400	850	20,000	17,000
Automobiles and Other Conveyances	1,218	3,768	4,589	700	3,800	2,660	700	3,800	2,660
Adaptive Equipment	7,825	1,007	7,881	8,400	1,054	8,854	8,300	1,141	9,468

**Reporting system for cost data is currently being developed. Cost data will be available upon completion of reporting system.*

FY 1982 CONGRESSIONAL BUDGET SUBMISSION
POST-VIETNAM ERA VETERANS EDUCATION ACCOUNT

Fund Highlights

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase (+) Decrease (-)
		(dollars in thousands)		
Major Activities:				
1. Disbursements to trainees	$1,355	$11,250	$18,300	$+7,050
2. Participant disenrollments	$31,278	$25,050	$21,700	$-3,350
Appropriation (perm., indef.)	$111,302	$153,327	$121,100	$-32,227
Obligations/Costs	$32,633	$36,300	$40,000	$+3,700
Outlays	$32,653	$34,700	$39,600	$+4,900
Number of participants	214,502	282,800	264,600	-18,200
Undisbursed balance of fund	$170,668	$289,295	$370,795	$+81,500

Summary of Budget Request

This program is funded by contributions from servicepersons, the Department of Defense, and by two-for-one matching funds from the Readjustment Benefits account. No Congressional appropriation action is requested.

Changes from original 1981 Budget Estimates

	1981 Budget Estimate	1981 Current Estimate	Increase (+) Decrease (-)
		(dollars in thousands)	
Major Activities:			
1. Disbursements to trainees	$7,050	$11,250	$+4,200
2. Participant disenrollments	$30,800	$25,050	$-5,750
Appropriation (perm., indef.)	$114,200	$153,327	$+39,127
Obligations	$37,850	$36,300	$-1,550
Outlays	$23,450	$34,700	$+11,250
Number of participants	160,200	282,800	+122,600
Number of trainees	9,400	6,400	-3,000
Number of disenrollments	48,000	34,800	-13,200

The 1981 current estimates shown above reflect revised projections based on FY 1980 experience. While trainees are expected to decrease from the original estimate, disbursements to trainees will increase. The recent enactment of PL 96-466 allows contributors to make a lump sum payment to their account which will ultimately result in higher average training costs. This legislation is also expected to increase the number of contributors due to the lowering of the minimum monthly contribution from $50 to $25. The maximum contribution was also raised from $75 to $100.

Analysis of Increases and Decreases

	FY 1981 Current Estimate	FY 1982 Estimate
	(dollars in thousands)	
Prior year outlays	$32,653	$34,700
Increases (+) and Decreases (-)		
Participant disenrollments	-6,228	-3,350
Disbursement to Post-Vietnam Era veteran trainees	+9,895	+7,050
Change in obligated balances	-1,620	+1,200
Estimated outlays	$34,700	$39,600

Explanation of Changes

Since this program became effective on January 1, 1977, changes have reflected growth patterns as eligible servicepersons continue to make contributions to the program, disenroll from the program, and begin to pursue training.

Program Description

This program was established by PL 94-502 in October 1976 38 U.S.C., Chapter 32 to provide educational assistance to those persons who enter the Armed Forces after December 31, 1976. It is a voluntary contributory matching program and each person entering military service has the right to enroll in and make contributions to the educational benefits program at any time during the person's service on active duty. After enrollment, each person must participate for at least 12 consecutive months before disenrolling or suspending participation.

Contributions to the program will be accumulated from servicepersons participating in the program with the Veterans Administration matching the serviceperson's contribution on a two-for-one basis. The Secretary of Defense may elect to contribute, as deemed necessary in order to encourage persons to enter or remain in the Armed Forces. Public Law 96-466, effective October 1, 1980 permits servicepersons to contribute as little as $25 per month with a maximum contribution of $100 per month. In addition, contributors are now permitted to make a lump-sum payment to their account.

Each serviceperson who has completed a full tour of duty and contributed, is entitled to a maximum of 36 monthly benefits, or a pro-rata share for part-time training.

Under existing legislation, there may be no new enrollments in this program after December 31, 1981, unless, before June 1, 1981, the President recommends and both Houses of Congress agree to continue the program for new enrollments.

Program Activity

During FY 1980 the number of trainees increased from 456 in 1979 to 1,947. The number of participants also increased from 146,078 to 214,502, with a corresponding increase in contributions from $70.6 million to $110.4 million. The number of disenrollments and the amount of refunds also increased from 21,322 disenrollments in 1979 valued at $13.7 million to 37,803 disenrollments valued at $31.3 million in FY 1980. Shown below is the activity this program is expected to have through 1982. The decline in contributions reflects the December 31, 1981 termination date for new enrollments.

Proposed Legislation

Legislation will be proposed to extend this program in its present format an additional year until December 31, 1982. The effects of this proposed legislation are not reflected in the budget estimate.

Workload and Obligations

	FY 1980 Actual	FY 1981 Budget Estimate	FY 1981 Current Estimate	FY 1982 Estimate	Increase (+) Decrease (-)
		(dollars in thousands)			
Obligations:					
Disbursement Post-Vietnam Era veteran trainees	$1,355	$7,050	$11,250	$18,300	$+7,050
Participant disenrollments	$31,278	$30,800	$25,050	$21,700	$-3,350
Total	$32,633	$37,850	$36,300	$40,000	$+3,700
Workload:					
Participants	214,502	160,200	282,800	264,600	-18,200
Trainees	1,947	9,400	6,400	10,400	+4,000
Cash Income (Budget Authority):					
Serviceperson Contributions	$110,380	$109,500	$145,827	$108,900	$-36,927
Transfer from RB Appropriation Department of Defense	922	4,700	7,500	12,200	4,700
	...	...	...	...	...
Total Income (Budget Authority)	$111,302	$114,200	$153,327	$121,100	$-32,227

Program Financing

The following table summarizes the financing of the fund:

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate
	(dollars in thousands)		
Program by Activities:			
Disbursement to Post-Vietnam Era veteran trainees	$1,355	$11,250	$18,300
Participant disenrollments	31,278	25,050	21,700
Total operating costs/obligations	$32,633	$36,300	$40,000
Financing:			
Unobligated balance, start of year	$-91,867	$-170,536	$-287,563
Unobligated balance, end of year	170,536	287,563	368,663
Budget Authority (appropriation) (permanent, indefinite)	$111,302	$153,327	$121,100

Fund Status

The following table summarizes the current and estimated financial condition of the fund:

Undisbursed balance, beginning of year	92,020	$170,668	$289,295
Total cash income	111,302	153,327	121,100
Total cash disbursed	32,653	34,700	39,600
Undisbursed balance, end of year	$170,668	$289,295	$370,795

FY 1982 CONGRESSIONAL BUDGET SUBMISSION
VOCATIONAL REHABILITATIONAL REVOLVING FUND
APPROPRIATION LANGUAGE

During [1981] 1982, within the resources available, gross obligations for direct loans are authorized in such amounts as may be necessary to carry out the purposes of the "Vocational rehabilitation revolving fund" (38 U.S.C. chapter 31), (Department of Housing and Urban Development - Independent Agencies Appropriation Act, 1981).

Fund Highlights

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase (+) Decrease (-)
		(dollars in thousands)		
Major activity:				
Loans to disabled veterans	6,046	6,360	6,820	+460
Obligations/cost	$986	$2,653	$3,233	$+580
Offsetting collections	$-971	$-1,677	$-2,956	$-1,279
Outlays	$8	$964	$272	$-692

Summary of Budget Request

No appropriation is being requested since unobligated fund balances and loan repayments will support the estimated obligations of $3,233,000 in FY 1982.

Changes from Original 1981 Budget Estimate

	FY 1981		
	Budget Estimate	Current Estimate	Increase (+) Decrease (-)
	(dollars in thousands)		
Major activity:			
Loans to disabled veterans	5,410	6,360	+950
Obligations/cost	$920	$2,653	$+1,733
Offsetting collections	$-935	$-1,677	$-742
Outlays	$-15	$964	$+979

Increases over the FY 1981 Budget are due to the enactment of PL 96-466 which increased the maximum loan amount from $200 to $564. This measure is expected to increase participation in the loan program and to increase the average loan amount from $163 to $417 dollars. A supplemental appropriation of $1,250,000 requested in FY 1981 is expected to fund the increases and to raise the fund balance to an appropriate operating level.

Analysis of Increases and Decreases

	FY 1981 Current estimate	FY 1982 Estimate
	(dollars in thousands)	
Prior year outlays	$8	$964
Increases (+) and Decreases (-):		
Increase in loans to veterans	+1,667	+580
Increase in loans repaid	-706	-1,279
Change in obligated balance	-5	+7
Estimated outlays	$964	$272

Explanation of Changes

Outlays are expected to increase in FY 1981 due to the loan limit being increased from $200 to $564 which will not be fully offset by repayments. Although repayments are normally collected by withholding 10% of the loan amount each month from compensation or rehabilitation benefits, they will not reach a level sufficient to support loans at the new levels until after FY 1982.

Program Description

Established by the Act of March 24, 1943 and incorporated into 38 U.S.C., sec. 1507, the Vocational Rehabilitation Revolving Fund finances loans to disabled veterans who are enrolled in a program of vocational rehabilitation under 38 U.S.C., Chapter 31. A loan is granted when, in the opinion of the veteran's rehabilitation counsellor, he is temporarily in need of additional assistance to meet expenses related to training.

With the enactment of PL 96-466, the maximum loan limit has been set to equal double the amount of subsistence allowance for a veteran with no dependents in full-time institutional training. Under the current rates, the maximum limit will be $564.

Provided no large increases in loan demand occurs and/or subsistence allowance rates are not raised, new loans can be funded by loan repayments. Loan losses are minimal (less than 1%) and usually occur as a result of the veteran's death.

Program Activity

Loan activity is closely related to the number of disabled veterans in vocational rehabilitation training. Although the number of trainees is expected to decrease through FY 1982, the increased loan maximum is also expected to attract more than the normal number of veterans requesting loans.

Workload, Amount Loaned and Repaid

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Change
Number of loans made	6,046	6,360	6,820	+460
Amount of loans made (000)	$986	$2,653	$3,233	$+580
Average loan amount	$163	$417	$474	$+57
Repayments (000)	$971	$1,677	$2,956	$+1,279
Number of loans outstanding	3,695	4,490	4,970	+480
Amount of loans outstanding (000)	$423	$1,386	$1,618	$+232
Average balance of loans outstanding	$115	$309	$326	$+17

FY 1982 CONGRESSIONAL BUDGET SUBMISSION
EDUCATION LOAN FUND
APPROPRIATION LANGUAGE

During [1981] 1982, within the resources available, gross obligations for direct loans are authorized in such amounts as may be necessary to carry out the purposes of the "Education loan fund" (38 U.S.C. chapters 32, 34, 35 and 36), (Department of Housing and Urban Development - Independent Agencies Appropriation Act, 1981).

Fund Highlights

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase (+) Decrease (-)
		(dollars in thousands)		
Major activity:				
Loans to veteran and survivors	7,846	7,195	6,320	-875
Obligations/Costs	$6,697	$6,945	$6,350	$-595
Offsetting collections	$-3,377	$-4,084	$-4,855	$-771
Outlays	$3,338	$2,850	$1,500	$-1,350

Summary of Budget Request

No budget authority is requested because the fund balance and anticipated collections will be sufficient to support the expected volume of new loans.

Changes from Original FY 1981 Budget Estimate

	1981		
	Budget Estimate	Current Estimate	Decrease
		(dollars in thousands)	
Major activity:			
Loans to veterans and survivors	9,450	7,195	-2,255
Obligations/Cost	$7,700	$6,945	$-755
Offsetting collections	$-3,931	$-4,084	$-153
Outlays	$3,800	$2,850	$-950

Decreases in loan demand have been greater than expected so that reductions from the original estimates are appropriate.

Analysis of Increases and Decreases

	FY 1981 Current Estimate	FY 1982 Estimate
	(dollars in thousands)	
Prior Year Outlays	$3,338	$2,850
Increases (+) and Decreases (-):		
Amount loaned	$+248	$-595
Repayments	$-168	$-260
Recovered defaults	$-249	$-345
Interest on loans	$-283	$-183
Loan fees	$-7	$+17
Change in obligated balance	$-28	$+16
Estimated outlays	$+2,850	$+1,500

Outlays will decrease in FY 1981, despite an increase in amount loaned, because of increases in repayments, recovered defaults, and interest earnings. Collections will continue to increase through FY 1982, further reducing outlays to $1,500.

Program Description

Established by PL 93-508, January 1, 1975, the Education Loan Fund was created to assist veterans and dependents in training under 38 U.S.C.,chapters 32, 34, and 35 whose education-related expenses exceed their resources. Such persons may borrow up to a maximum of $2,500 per academic year from the Fund for an initial fee of 3% and interest currently set at 7% per year.

Repayment is not required, and interest is not charged, until 9 months past the time that the borrower ceases to train at least half-time. Loan amounts of more than $600 must be repaid within a period of 10 years on a monthly, quarterly, semi-annual or annual basis, at the option of the borrower. Smaller amounts must be repaid in a proportionately shorter time.

The Education Loan program also serves as a means of extending education benefits to persons who had entitlement remaining, and were in school, at the time that they passed their delimiting date. Provided they pursue a full-time training program, such persons retain their eligibility to Education Loans up to the amount of their unused entitlement, for as long as two years after delimiting.

Program Activity

The number of loans granted has been decreasing each year since the peak level of 28,932 loans was reached in FY 1978. This trend is due to decreased enrollments and more stringent qualification standards designed to reduce the incidence of defaulted loans.

During FY 1980, 7,846 loans were granted for an average loan amount of $854 dollars. Comparable figures for FY 1979 were 11,040 loans at $724 each and it is expected that this downward trend will continue, with only 7,195 loans to be granted in FY 1981 but at an average loan of $965.

WORKLOAD, AMOUNT LOANED AND REPAID

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Change
Number of loans made	7,846	7,195	6,320	-875
Total amount of loans made (in thousands)	$6,697	$6,945	$6,350	$-595
Average amount per loan	$854	$965	$1,005	$+40
Number of loans outstanding	67,635	70,880	71,570	+690
Average balance per loan outstanding	$916	$887	$875	$-12
Loan repayments (in thousands)	$972	$1,140	$1,400	$+260
Amount recovered from defaults (in thousands)	$1,341	$1,590	$1,935	$+345
Number of defaults	13,122	4,135	3,980	-155
Amount of defaults (in thousands)	$14,030	$3,900	$3,310	$-590

The decrease in defaults projected for FY 1981 and FY 1982 reflect similar decreases in loans made beginning with the end of FY 1978. Improvements in the default rate is also expected but have not been included in the estimates.

VETERANS ADMINISTRATION

Grants for Establishment, Expansion and Improvement of State Veterans Cemeteries

Appropriation Language

No language required as no funding is required for FY 1982.

Appropriation Highlights

	1980 Actual	1981 Estimate	1982 Estimate	1982 vs 1981 Increase (+) Decrease (-)
		(in thousands of dollars)		
Major Activities or Programs:				
Cost of establishment, expansion or improvement of State Veterans' Cemeteries	$ 499	$5,000	$4,501	-$ 499
Appropriation	5,000	5,000	...	- 5,000
Obligations	499	5,000	4,501	- 499
Outlays	234	5,000	3,000	- 2,000

Summary of Budget Request

The estimated requirement for Fiscal Year 1982 is based on the legislative authorization and represents the third year of a five year program. Direct grants will be made to the States in accordance with the law, Federal criteria and published standards.

Justification of Estimates

Public Law 95-476, enacted October 18, 1978, amends Title 38, United States Code and authorizes this grants program to assist the individual States in establishing, expanding and/or improving Veterans' Cemeteries. The Act provides that the Administrator may make grants in an amount not to exceed 50% of the total value of the land and the cost of improvements with the remaining amount to be contributed by the State. The Act further provides that no State may receive in any Fiscal Year a total amount in excess of 20% of the total amount appropriated for that Fiscal Year.

Part 3. Housing Credit Assistance

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FY 1982 CONGRESSIONAL BUDGET SUBMISSION
Loan Guaranty Revolving Fund

APPROPRIATION LANGUAGE

During [1981] 1982, the Loan guaranty revolving fund shall be available for expenses for property acquisitions, payment of participation sales insufficiencies, and other loan guaranty and insurance operations as authorized by law (38 U.S.C. chapter 37, except administrative expenses, as authorized by section 1824 of such title): Provided, that the unobligated balances including retained earnings of the Direct loan revolving fund shall be available [1981] 1982, for transfer to the Loan guaranty revolving fund in such amounts as may be necessary to provide for the timely payment of obligations of such fund and the Administrator of Veterans Affairs shall not be required to pay interest on amounts so transferred after the time of such transfer.

During [1981] 1982, within the resources available, gross obligations for direct loans and total commitments to guarantee loans are authorized in such amounts as may be necessary to carry out the purposes of the "Loan guaranty revolving fund". (Department of Housing and Urban Development - Independent Agencies Appropriation Act, 1981)

EXPLANATION OF LANGUAGE CHANGE

Federal credit programs are being reviewed more intensively within the budget process through a new control system. The system requires annual authorizations through appropriation language on direct loan obligations and commitments to guarantee loans.

LOAN GUARANTY REVOLVING FUND

Fund Highlights

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
Costs/Obligations	$444,634	$506,988	$533,204	$+26,216
Offsetting Collections	$425,102	$549,759	$508,521	$-41,238
Outlays	$+27,557	$-42,346	$+25,258	$+67,604
Number of guaranteed or insured loans	297,447	315,000	315,000	...
Number of claims processed	11,048	12,450	12,250	-200
Number of property acquisitions processed	9,911	11,400	11,300	-100

Summary of Budget Request

Congress is being requested to authorize the transfer from the Direct Loan Revolving Fund to the Loan Guaranty Revolving Fund, such amounts as may be necessary to provide for the timely payment of obligations.

Changes from Original 1981 Budget Estimates

	1981 Budget Estimate	1981 Current Estimate	Increase (+) Decrease (-)
Cost/Obligations	$683,867	$506,988	$-176,879
Offsetting Collections	$879,977	$549,759	$-330,218
Outlays	$-195,000	$-42,346	$+152,654
Number of guaranteed or insured loans	362,850	315,000	-47,850
Number of claims processed	18,000	12,450	-5,550
Number of property acquisitions processed	15,700	11,400	-4,300

The current estimated outlays for 1981 have been increased by $152.7 million from the original budget estimate. The primary reasons are:

1. A reduction of $176.9 million in obligations consisting primarily of a reduction of $126.5 million in the estimate for claims and property acquisitions and of $10.2 million in discounts, offset by a $4.1 million increase in acquired loans.

2. A reduction of $330.2 million in offsetting collections reflecting a decrease in loan sales of $343 million offset by increased interest and principal collections.

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The acquisition costs and claim payments are decreased to reflect the increased cure rate. Property improvement estimates were decreased to reflect a reduced inventory. Repurchases were reduced to reflect a reduction in the estimate of vendee sales. Acquired loans were increased to reflect an increase in the estimate of the number of acquired loans.

Analysis of Increases and Decreases

	FY 1981 Current Estimate	FY 1982 Estimate
Prior Year Outlays	$+27,557	$-42,346
Decreases:		
Increase in sale of vendee loans	-117,287	...
Increase in other collections	-7,370	...
Discount on sales of loans	-12,164	...
All other	-4,041	-1,406
Increases:		
Decrease in sale of vendee loans	...	+42,000
Real property acquisitions	+48,442	+11,225
Claims processed	+12,407	+ 1,430
Repurchase of loans sold	+10,110	+14,355
Estimate	$-42,346	$+25,258

Explanation of Changes

- A decrease in the outlays in FY 1981 from 1980 is due primarily to an increased estimate for the sale of vendee loans, due to a more salable portfolio expected for FY 1981 allowing sale of accumulated 1980 loans.
- This is offset by an increase in the FY 1981 estimates for real property acquisitions, claims and repurchases over FY 1980 levels.
- The FY 1982 outlay figure is $67.6 million above FY 1981 partially due to lower vendee loan sales resulting from a return to the process of selling loans accumulated in current year.
- The FY 1982 increases in real property acquisitions and claims are the result of increased average costs.
- The FY 1982 increases in repurchases result from the sales in FY 1981.

Program Description

The Loan Guaranty Revolving Fund is authorized by 38 U.S.C., Section 1824, to finance all operations of the Loan Guaranty Program except administrative costs.

The principal objective of the Loan Guaranty Program is to encourage and facilitate extension of favorable credit terms by private lenders to veterans for the purchase, construction or improvement of homes to be occupied by the veterans and their families.

The program operates by substituting the Federal Government's guaranty to lenders against financial loss on loans to veterans for the investment protection afforded under conventional mortgage terms by substantial downpayments and relatively shorter loan terms.

Eligible veterans are thus enabled to finance home purchases even though they may not have the resources to qualify for conventional loans. Under present law, home loans may be guaranteed up to 60 percent of the amount of the loan but not to exceed $27,500. This amount was increased from $25,000 by the "Veterans Disability and Housing Benefits Amendments of 1980" (Public Law 96-385), effective October 1, 1980.

In the event of an insoluble default, the Veterans Administration, through its contract of guarantee, stands ready to make good any loss sustained by the holder of the loan, up to the amount of the guarantee, and in most cases accept title to the property for ultimate disposition.

The Loan Guaranty Program originated in Title III of the Servicemen's Readjustment Act of 1944. The Act was conceived as a comprehensive GI Bill of Rights for returning World War II veterans, to help reintegrate them into the civilian population. Credit assistance was authorized for home, farm and business purposes, for a limited time after the veterans' separation from service. In subsequent Acts, credit assistance for all purposes was opened to Korean Conflict veterans, and, for housing purposes only to: Post-Korean veterans, certain current members of the armed forces and unremarried spouses of certain deceased veterans. The Veteran's Housing Act of 1970, Public Law 91-506, restored unused entitlement of veterans whose eligibility term had expired under prior laws and made all veterans' entitlement available until used.

"The Veterans Housing Act of 1974" made further improvements in loan benefits for veterans by: extending the mobile home loan authority and increasing the loan maximums for mobile home loans, authorizing loans on used mobil homes, increasing the amount of guaranty on conventionally built homes, liberalizing provisions for restoration of a veteran's entitlement, expanding the number of condonimium units eligible for VA loans, and perfecting other provisions of the program.

"The Veterans Housing Amendments Act of 1976" for the first time made veterans, whose only active duty occurred after July 25, 1947 and prior to June 27, 1950, eligible for the VA loan guaranty benefit. The act also helped improve the availability of mobile home loans by increasing the maximum amount of mobile home guaranty from 30 to 50 percent.

"The Veterans Housing Benefits Act of 1978 (Public Law 95-476), enacted 10/18/78, authorized the following additional benefits: (1) the extension of entitlement to Vietnam Era veterans who served between 90 to 180 days; (2) the guarantee of loans for solar energy and for energy conservation related to home improvements; (3) and the providing of loan guarantees for the purchase of units in approved converted condominium projects or developments. The Act also improved the VA mobile-home loan program by eliminating maximum loan amounts and setting the maximum loan guaranty at $17,500. The act also provided for restoration of entitlement for a veteran using entitlement for any mobile-home purpose and eliminated the requirement that the maximum guaranty be available for a veteran to be eligible for a mobile-home loan.

"The Veterans Disability Compensation and Survivors Benefits Amendments of 1979" (Public Law 96-128), enacted November 28, 1979, exempted VA mortgages from State anti-usury provisions, thereby insuring veterans the benefits of the VA guaranty during periods of high interest rates.

The Veterans' Disability Compensation and Housing Benefits Amendments of 1980" (Public Law 96-385), effective October 1, 1980, increased the maximum entitlement for home loan purposes from $25,000 to $27,500. Thus, a veteran who used $10,000 entitlement in connection with a previous loan now has $17,500 entitlement available for use. Similarly, a veteran whose certificate reflects no remaining entitlement now has at least $2,500 entitlement.

Title IV of this amendment permits a veteran to refinance a home loan in order to obtain a lower interest rate on his/her mortgage.

Program Obligations

The Loan Guaranty Revolving Fund total obligations in FY 1981 are expected to be $507.0 million, an increase of $62.4 million over the FY 1980 obligations.

In FY 1982 the total obligations are expected to be $533.2 million or $26.2 million more than in FY 1981.

The summary table and descriptions of the actual and estimated significant items are as follows:

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
		(dollars in thousands)		
Capital outlay, funded:				
1. Real property acquisitions processed	$282,158	$330,600	$341,825	$+11,225
2. Property improvements	21,390	24,797	24,757	-40
3. Claims processed	25,463	37,870	39,300	+1,430
4. Repurchase of loans sold, net	18,160	28,270	42,625	+14,355
5. Cash advances-Vendee Loans	2,807	3,000	3,000	...
6. Loans acquired	5,491	6,040	6,403	+363
Total	$355,469	$430,577	$457,910	$+27,333
Operating costs, funded:				
7. Property management	$16,283	$16,478	$18,587	$+2,109
8. Property sales expense	15,346	18,154	18,102	-52
9. Discount on sale of loans	22,314	10,150	9,100	-1,050
10. Interest expense on participation certificates	35,222	31,629	29,505	-2,124
Total	$89,165	$76,411	$75,294	$-1,117
Total program costs/ funded obligations	$444,634	$506,988	$533,204	$+26,216

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
Capital Outlay				
1. Real property acquisitions:				
Number of property acquisitions processed.....	9,911	11,400	11,300	-100
Average cost per acquisition.....	$ 28,469	$ 29,000	$ 30,250	$ +1,250
Total cost (in thousands)...	$282,158	$330,600	$341,825	$-11,225

Private lenders who have acquired property as a result of foreclosure on defaulted guaranteed home loans may elect to convey that property to the Veterans Administration. The Veterans Administration acquires about 95 percent of the properties foreclosed, with the exception of mobile homes which are repossessed and resold on the market by the lenders.

The real property acquisitions are presented by type of property as follows:

(a) Single family resident: 1/				
Number of acquisitions processed.....	9,890	11,368	11,263	-105
Average cost per acquisition.....	$ 28,474	$ 28,992	$ 30,240	$ +1,248
Total cost (in thousands)...	$281,610	$329,582	$340,589	$+11,007
(b) Condominiums: 1/				
Number of acquisitions processed.....	21	32	37	+5
Average cost per acquisition	$ 26,095	$ 31,800	$ 33,400	$ +1,600
Total cost (in thousands)...	$ 548	$ 1,018	$ 1,236	$ +218
2. Property improvements:				
Number of properties acquired.....	11,549	13,120	13,030	-90
Avg. cost per property	$ 1,887	$ 1,890	$ 1,900	$+10
Total cost (in thousands).....	$21 791	$24,797	$24,757	$-40

After conveyance of the property to the Veterans Administration, capital expenditures are often necessary to place the property in salable condition. The above table summarizes these expenditures.

1/ These figures are supplied per GAO request. The accounting system does not show a detailed breakdown by type of properties therefore all figures represent estimates based on workload and other data available.

The property improvements are presented by type of property as follows:

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
(a) Single family residential: 1/				
Number of properties acquired	11,507	13,068	12,973	-95
Avg. cost per property	$ 1,885	$ 1,889	$ 1,899	$+10
Total cost (in thousands)	$21,692	$24,684	$24,630	$-54
(b) Condominiums: 1/				
Number of properties acquired	42	52	57	+5
Avg. cost per property	$ 2,357	$ 2,173	$ 2,228	$+55
Total cost (in thousands)	$99	$113	$127	$+14
3. Claims Processed:				
Number of claims processed	11,048	12,450	12,250	-200
Average cost per claim	$ 2,305	$ 3,042	$ 3,208	$ +166
Total cost (in thousands)	$ 25,463	$ 37,870	$ 39,300	$ +1,430

These payments are made to lenders in accordance with the Veterans Administration guaranty contract. In most home loan cases, they represent the difference between the amount owed by the veteran on a defaulted loan and the value of the foreclosed property as established by the Veterans Adminstration. These payments are in addition to property acquisition costs shown in item (a). In mobile home cases the payments are the guaranty contract portion of the net debt after the lender sells the repossessed mobile home.

The claims processed are presented by type of property as follows:

(a) Single family residential: 1/				
Number of claims	10,230	11,620	11,405	-215
Average cost per payment	$2,246	$3,029	$3,195	$166
Total cost (in thousands)	$22,975	$35,196	$36,436	$+1,240
(b) Mobile home/lot:				
Number of claims	803	800	800	...
Average cost per payment	$3,042	$3,213	$3,375	$+162
Total cost (in thousands)	$2,443	$2,570	$2,700	$+130

1/ These figures are supplied per GAO request. The accounting system does not show a detailed breakdown by type of properties therefore all figures represent estimates based on workload and other data available.

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
(c) Condominiums: 1/				
Number of claims.....	15	30	45	+15
Average cost per payment.....	$3,000	$3,467	$3,644	$+177
Total cost (in thousands).....	$45	$104	$164	$+60
4. Repurchase of loans sold, net				
Number of loans repurchased..	1,063	1,535	1,951	+416
Avg. cost per repurchase.....	$17,084	$18,417	$21,848	$+3,431
Total cost (in thousands)....	$18,160	$28,270	$42,625	$+14,355

Pursuant to Veterans Administration Regulation 4600, dated March 22, 1962, the Administrator may sell, with full recourse, loans which have been created incident to the sale of Veterans Administration acquired property. If the loans go into default, the Administrator may repurchase them. The table above reflects this activity. All loans repurchased were for single family residential units.

5. Cash advances-Vendee Loans				
Total cost (in thousands)	$2,807	$3,000	$3,000	...

In order to protect the interest of the Government, cash advances on vendee loans are occasionally made to borrowers to cover taxes, hazard insurance, and necessary repairs. These amounts are added to the current loan balance. The advances are presented by the type of property involved as follows:

(a) Single family residential:				
Total cost (in thousands)	$2,803	$2,996	$2,996	...
(b) Condominiums:				
Total cost (in thousands)	$4	$4	$4	...
6. Loans acquired:				
Number of loans acquired	162	177	177	...
Average cost per acquired	$33,895	$34,124	$36,175	$+2,051
Total cost (in thousands)	$5,491	$6,040	$6,403	$+363

In order to avoid foreclosure of a guaranteed or insured loan in default status when forebearance will allow the veteran borrower to cure the default, the loan may be purchased by the Administrator. All loans acquired were for single family residential units.

1/ These figures are supplied per GAO request. The accounting system does not show a detailed breakdown by type of properties therefore all figures represent estimates based on workload and other data available.

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
Operating Expenses				
7. Property management expense:				
Average number of properties owned	9,196	8,787	8,597	-190
Average cost per property ...	$1,771	$1,875	$2,162	$ +287
Total cost (in thousands) ...	$16,283	$16,478	$18,587	$+2,109

This includes all the cost of ownership of acquired properties except capitalized expenditures made incident to the acquisition and rehabilitation of properties. Included in the management expense are payments for services performed by management brokers, real estate taxes and maintenance of properties. The management expenses are presented by type of property involved as follows:

(a) Single family residential:				
Average number of properties owned	9,173	8,761	8,571	-190
Average cost per property	$1,770	$1,875	$2,162	$+287
Total cost (in thousands)	$16,238	$16,424	$18,531	$+1,356
(b) Condominiums:				
Average number of properties owned	23	26	26	...
Average cost per property	$1,956	$2,060	$2,160	$+100
Total cost (in thousands)	$45	$54	$56	$+2
8. Sales expense:				
Number of sales	11,780	13,300	12,830	-470
Average cost per sale	$1,303	$1,365	$1,410	$+45
Total cost (in thousands) ...	$15,346	$18,154	$18,102	$-52

This includes brokers fees and advertising costs incident to the sale of properties owned by Veterans Administration. Sales expenses are presented by type of property involved as follows:

(a) Single family residential:				
Number of sales	11,735	13,245	12,770	-475
Average cost per sale ..	$1,300	$1,362	$1,407	$+45
Total cost (in thousands)	$15,256	$18,038	$17,970	$-68
(b) Condominiums:				
Number of sales	45	55	60	+5
Average cost per sale ..	$2,000	$2,100	$2,200	$+100
Total cost (in thousands)	$90	$116	$132	$+16

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
9. Discount on sale of loans. Represents the discount absorbed by the Veterans Administration incident to the sale of vendee accounts or the discount recoveries on repurchases. Discounts occur when the contract rate of interest does not afford a yield commensurate with the market.				
Total costs (in thousands).....	$22,314	$10,150	$ 9,100	$-1,050
10. Interest expense on participation certification. Represents the amount of interest the trustee is required to pay holders of participation certificates in respect to which vendee accounts have been set aside pursuant to 38 U.S.C. 1820(c).				
Total costs (in thousands).....	$35,222	$31,629	$29,505	$-2,124

To the extent this expense exceeds the amount of interest collections on an equal amount of loans pledged to the trustee, participation sales insufficiencies result. Financing of the participation sales insufficiencies are as follows (in thousands of dollars):

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
Total interest accrued on participation certificates.....	$35,222	$31,629	$29,505	$-2,124
Interest accrued in Government Mortgage Liquidation Trust for which insufficiencies are not authorized.....	-5,717	-2,124	...	...
Interest accrued in Federal Assets Financing Trust (FAFT) for which insufficiencies are authorized.....	29,505	29,505	29,505	...
Interest on equal amount of loans in the FAFT trust.....	-14,106	-13,004	-11,815	+1,189
Insufficiency.....	15,399	16,501	17,690	+1,189
Financed by:				
Investment income from participation sales fund in the FAFT trust.....	-15,399	-16,501	-17,690	-1,189
Carried forward to subsequent period.....	-4,742	-4,742	-4,742	...
Brought forward from prior period.....	+4,742	+4,742	+4,742	...
Budget authority.....	...	...	...	...

Program Financing

Revenue and receipts consist principally of interest income, cash proceeds from the sale of real property acquired as a result of foreclosure on guaranteed loans, and repayments on mortgages made incident to such sales. It is estimated that $229.3 million in 1981, and $231.0 million in 1982 will be received from these sources. Also, an estimated $290.0 million vendee loans will be sold in 1981 and $248 million in 1982.

The Department of Housing and Urban development -- Independent Agencies Appropriation Act, 1980 (Public Law 96-103) provided that the unobligated balances including retained earnings of the Direct Loan Revolving Fund shall be available for transfer to the Loan Guaranty Revolving Fund. In 1980, $200.0 million was transferred. No transfer is projected in 1981 or 1982. The following table indicates the amounts available for obligation at the beginning of each year, the source of funds becoming available during the year, the disposition of funds during the year, and the amounts available at the end of each year.

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
		(dollars in thousands)		
Unobligated balance:				
Start of year	$241,899	$385,426	$338,400	$-47,026
Offsetting collections:				
Sale of Vendee loans	172,713	290,000	248,000	-42,000
Repayment of				
Vendee loans	68,753	70,841	66,378	-4,463
Acquired loans	1,215	1,162	1,039	-123
Sale of properties (cash)	44,908	43,000	43,200	+200
Collection of claims receivable (veterans indebtedness)	6,177	6,255	6,334	+79
Other repayments	-853	-1,500	-2,000	-500
Total capital receipts	292,913	409,758	362,951	-46,807
Operating income:				
Interest income	105,176	114,346	120,312	+5,966
Investment income from participation sale fund	23,545	22,655	22,258	-397
Rental and other revenue	3,468	3,000	3,000	...
Total operating income	132,189	140,001	145,570	+5,569
Total offsetting collections	425,102	549,759	508,521	-41,238
Transfer from Direct Loan Revolving Fund	200,000	...	...	...
Total available funds.	$867,001	$935,185	$846,921	$-88,264
Less:				
Principal collections transferred to trustee	-36,941	-89,797	-25,330	-64,467
Obligations	-444,634	-506,988	-533,204	-26,216
Unobligated balance:				
End of year	$385,426	$338,400	$288,387	$-50,013

3. Relation of Obligations to Outlays

Obligations	$444,634	$506,988	$533,204	$+26,216
Offsetting Collections	-425,102	-549,759	-508,521	+41,238
Obligations incurred, net	19,532	-42,771	24,683	+67,454
Obligated balance, start of year	36,149	28,124	27,699	-425
Obligated balance, end of year	-28,124	-27,699	-27,124	+575
Outlays	$27,557	$-42,346	$ 25,258	$-67,604

Financial Condition

The increased asset amount in claims receivable shows the impact of more intense debt collection efforts. While this yields only a small increase in collections in 1982, increases in collections are projected for FY 1983 and future years. The program transactions described in the preceding pages will result in the following financial condition at the close of periods for FY 1980, FY 1981 and FY 1982 as follows:

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
Assets:				
Fund balance with Treasury	$413,550	$373,386	$318,620	$-54,766
Current receivables:				
Accounts receivables, net	6,447	4,048	2,687	-1,361
Interest collections held by or for trustee	15,769	11,499	17,912	+6,413
Interest collections in escrow for trustee	-1,130	-1,132	-1,132	...
Total current receivables	434,636	387,801	338,087	-49,714
Invested capital				
Loans receivable				
Vendee accounts	1,219,430	1,178,472	1,202,195	+23,723
Acquired loans	16,474	21,180	26,372	+5,192
Total loans	1,235,904	1,199,652	1,228,567	+28,915
Veterans Indebtedness:				
Claims receivable, net	38,288	39,663	44,806	+5,143
Real Property:				
Real property owned, net	233,657	258,853	291,703	+32,850
Total assets	1,942,486	1,885,969	1,903,163	+17,194
Liabilities:				
Current accounts payable and accrued liabilities	49,086	49,300	49,600	+300
Deferred credits	125	100	100	...
Total current liabilities	49,211	49,400	49,700	+300
Long-term:				
Participation certificates outstanding	552,295	472,540	472,540	...
Principal collections in escrow for trustee	3,121	2,061	2,061	...
Principal payments to be applied to redemption of participation certificates	-253,214	-262,194	-187,525	-25,331
Debt issued under borrowing authority:				
Borrowings from Treasury	1,105,718	1,105,718	1,105,718	...
Net Long-term liabilities	$1,407,920	$1,318,125	$1,292,794	$-25,331
Total liabilities	$1,457,131	$1,368,525	$1,342,494	$-25,031

Financial Condition (Cont.)

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
Government Equity:				
Paid-in capital	$649,488	$649,488	$649,488	$...
Deficit:				
Opening balance	-176,839	-164,133	-131,044	+33,089
Net income or loss (-)	16,477	33,089	42,225	+9,136
Adjustment for prior year (property sold)	-3,771	...	...	...
Closing balance	-164,133	-131,044	-88,819	42,225
Total Government equity	$485,355	$518,444	$560,669	$+42,225

Revenue and Expense

The net income in FY 1982 is projected to increase by $9.1 million. This is due to a $3.4 million decrease in expenses and a $5.6 million increase in income, along with a slight increase in income from property sales.

The following table reflects the major items of revenue and expense:

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Decrease(-) Increase(+)
Revenue:				
Interest income	$105,176	$114,346	$120,312	$+5,966
Investment income from Participation Sales Fund	23,545	22,655	22,258	-397
Premium on loan sales	152	...	...	...
Rental and other revenue	3,316	3,000	3,000	...
Total operating revenue	$132,189	$140,001	$145,570	$+5,569
Expense:				
Funded expense	89,165	76,411	75,294	-1,117
Adjustments in connection with:				
1. Sales and repurchases	363	364	407	+43
2. Assets writeoffs, etc.	2,593	2,600	2,600	...
Provision for allowance on:				
(1) uncollectible receivables	30,794	34,800	32,500	-2,300
(2) unsold properties	-1,888	3,600	3,600	...
Total unfunded cost	31,862	41,364	39,107	-2,257
Total expenses	121,027	117,775	114,401	-3,374
Net operating Gain	11,162	22,226	31,169	+8,943
Non-operating income or loss:				
Sale of properties:				
Cash proceeds	44,908	43,000	43,200	+200
Vendee loans	274,040	312,825	310,464	-2,361
Total sales	318,948	355,825	353,664	-2,161
Net book value of properties sold	-313,633	-344,962	-342,608	-2,354
Net non-operating income or loss (-)	5,315	10,863	11,056	+193
Net income or loss (-)	16,477	33,089	42,225	+9,136

Statement of Accountability

Funds have been provided through FY 1980 for the expenses of the Loan Guaranty Fund from the following sources:

Assumption of Assets at Inception of Fund	$521,335,096
Appropriation for payment of Participation Sales Insufficiencies	32,420,742
Receipts from Operations, Net	6,593,912,689
Transfers from Direct Loan Fund:	
Capital	1,105,718,022
Direct Loan earnings	128,152,978
Total Availability	8,381,539,527

As of September 1980, $385.4 million of the total shown above remained available for obligation. A summary statement of the use made of the total amounts which have become available to this fund is shown below:

Unobligated balance	385,425,744
Accounts Receivable, Net	-16,043,140
Cash available for obligation	369,382,604
Expenditures:	
Payment of claims and acquisition of properties	5,678,582,795
Property management, selling and other expenses	2,305,674,012
Total	7,984,256,807
Insufficiencies Paid Participation Sales Fund	27,900,116
Total Expenditures and Transfers	8,012,156,923
Total availability	8,381,539,527
Reconciliation of net accountability:	
Insufficiencies Paid Participation Sales Fund	27,900,116
Expenditures	7,984,256,807
Receipts from Operatins, Net	-6,593,912,689 1/
Capital transferred from the Direct Loan Revolving Fund	-1,105,718,022
Appropriation for Payment of Participation Sales Insufficiencies	-32,420,742
Net Accountability	$288,105,470
Invested Capital:	
Loans receivable	1,235,904,357
Real Property	233,656,640
Veterans indebtedness	38,288,156
Total	1,507,849,153
Deficit - September 30, 1980	164,133,038
Accounts receivable, net	16,043,140
Receivables in Transit	-7,378
Total Government Investment	1,688,017,953
Long Term liabilities:	
Borrowings from Treasury	-1,105,718,022
Participation certificates outstanding - Net	-302,194,461
Excess of Government investment over long term liabilities - Net	$280,105,470

1/ Excludes $695,805,539 in principal collections transferred to Participation Sales Fund.

Explanation of Deficit

The $196 million net loss existing in the Loan Guaranty Fund at the close of fiscal year 1980 is the net cost to date, exclusive of administrative expenses, which has resulted from paying claims for the guaranty or insurance or insurance issued on 11.0 million loans in the amount of $171.2 billion. The net loss reflects the results of the liquidatin of properties as well as claim payments.

On this basis, there has been an average loss of $561 on the claims paid through September 30, 1980. Cast in other terms, the loss has been about one-tenth of one percent of the dollar value guaranteed or insured.

The elements which made up the net cumulative loss through fiscal year 1980 as as follows:

Expenses and Losses:		
Guaranty Losses, Net 1/		$477,383,501
Operating expenses and losses:		
Property management expenses	312,471,758	
Property selling expenses	309,297,359	
General expenses	10,277,315	
Write-offs	26,513,000	
Commission on sale of participations	2,879,254	
Interest and insufficiencies on participation certificates	632,280,395	
Discount on loan sales & repurchases	59,316,152	
Provision for valuatoin allowance on unsold properties	13,739,859	1,366,775,092
Total expenses and losses		1,844,158,593
Income:		
Interest collection on veterans indebtedness		6,075,155
Operating income:		
Gross profit on sale of property	111,911,980	
Interest on loans	1,183,847,796	
Late payment charges on loans	9,466,196	
Rental and miscellaneous income	148,321,901	
Premium on vendee accounts sales and repurchases	22,834,831	
Income from participation sales fund	165,146,954	1,641,529,658
Total income		1,647,604,813
Net loss		196,553,780
Less: Appropriation for insufficiencies paid on participation certificates		-32,420,742
Deficit September 30, 1980		$164,133,038

1/ For all practical purposes, guaranty losses, net are the difference between payments to holders for claims against defaulted guaranteed or insured loans and the value of properties conveyed to the VA.

Other Program Information

a. Guaranteed or insured loans closed by entitlement

In fiscal year 1980, of 297,447 GI loans closed, 55.2 percent were to Vietnam Era veterans; 10.0 percent to Post-Korean veterans; 12.1 percent to servicepersons; 3.4 percent to Korean Conflict veterans; 4.9 percent to World War II veterans; 0.2 percent for P.L. 94-324, and 11.1 percent for restored and 3.2 percent to Post Vietnam veterans. The following table shows GI loans closed by entitlement:

	1979 Actual	1980 Actual	1981 Estimate	1982 Estimate	Decrease(-) Increase(+)
World War II	17,767	14,660	13,600	12,600	-1,000
P.L. 94-324	581	463	450	450	...
Korean Conflict	12,075	10,176	10,100	9,100	-1,000
Post-Korean	36,340	29,599	30,000	29,000	-1,000
Vietnam Era	208,342	164,144	170,150	168,150	-2,000
Post-Vietnam Era	4,521	9,428	18,700	20,400	+1,700
Servicepersons	45,558	35,977	37,000	37,000	...
Restored	39,394	33,000	35,000	38,300	+3,300
Total GI loans Closed	364,578	297,447	315,000	315,000	...
Direct Loans Sold With a Guaranty	0	0	0	0	...
Total Guaranteed or Insured Loans	364,578	297,447	315,000	315,000	...

GI loans closed from the beginning of the program through fiscal year 1980 total 10,952,336 with a principal amount of $186.2 billion. These totals included 10,609,735 home loans aggregating $184.7 billion, 42,206 mobile homes totaling $562.0 million, 71,158 farm loans for $284 million, and 229,242 business loans for $652.1 million.

As of September 30, 1980, of the 10,952,336 loans closed from the beginning of the program, 4,100,165 remained outstanding with principal balances of $7.6 billion and an estimated Veterans Administration contingent liability of $46.3 billion. Home loan repaid in full amounted to $6,457,248 or 59 percent of the total loans closed, while foreclosures numbered 394,856, only 3.6 percent of the total.

b. Guaranteed or insured loans closed by Station*

	Cumulative thru 9/30/80		FY 1980 Only	
	Number	Principal Amount	Number	Principal Amount
Totals	10,952,336	$186,243,014,347	297,447	$14,815,266,057
Montgomery	174,576	3,217,339,422	4,959	215,342,044
Anchorage	10,465	535,938,115	929	70,932,450
Phoenix	148,446	3,611,303,822	8,413	438,780,024
Little Rock	67,282	1,076,915,796	2,562	98,373,330
Los Angeles	1,078,293	24,140,119,011	24,166	1,716,056,968
San Francisco	583,341	11,265,221,879	10,242	705,136,379
Denver	293,211	7,102,414,416	13,642	773,040,799
Hartford	116,740	1,542,299,107	1,565	74,918,600
Wilmington	33,907	516,823,095	856	33,993,878
Washington	254,484	7,394,661,652	9,423	675,847,436
St. Petersburg	362,236	7,627,787,452	19,628	856,496,281
Atlanta	269,076	5,241,279,101	9,798	427,641,908
Honolulu	25,326	945,436,957	1,793	147,457,274
Boise	40,344	839,055,869	1,963	91,316,749
Chicago	351,962	5,603,535,946	10,438	513,356,973
Indianapolis	219,301	2,899,896,478	5,542	197,805,978
Des Moines	122,086	1,575,014,157	2,788	121,108,083
Wichita	130,933	1,702,534,200	2,665	103,743,589
Louisville	85,882	1,243,825,911	2,250	90,378,277
New Orleans	159,471	2,943,484,367	4,895	232,882,290
Togus	58,077	721,985,511	752	24,508,364
Baltimore	157,668	2,627,528,376	5,366	280,181,565
Boston	402,982	4,551,669,202	1,646	62,176,090
Detroit	323,796	3,968,544,758	6,875	270,514,740
St. Paul	241,810	4,310,012,993	5,983	326,800,034
Jackson	89,551	1,547,448,800	2,442	102,636,883
St. Louis	201,075	2,726,052,061	4,431	172,718,868
Ft. Harrison	31,085	612,436,210	1,477	71,437,675
Lincoln	65,375	1,125,348,401	2,239	98,414,858
Reno	12,584	318,365,517	445	29,248,308
Manchester	56,637	649,691,847	539	25,198,574
Newark	423,791	6,196,077,150	6,531	318,334,254
Albuquerque	61,514	974,636,967	1,937	89,576,642
Buffalo	163,175	1,851,069,870	2,842	91,300,067
New York	699,272	7,845,123,120	3,556	132,264,579
Winston-Salem	199,728	3,698,823,552	6,594	266,233,593
Fargo	20,615	330,939,286	736	26,970,059
Cleveland	542,351	8,425,131,565	14,089	579,359,529
Muskogee	177,844	2,519,100,662	6,591	265,925,256
Portland	65,110	1,057,999,247	1,549	87,340,646
Philadelphia	353,264	3,748,383,105	4,886	190,190,969
Pittsburgh	184,038	1,964,359,164	2,295	81,864,487
San Juan	37,417	939,882,973	1,137	44,340,894
Providence	26,379	230,591,943	16	791,850
Columbia	111,345	2,112,035,824	4,735	191,321,503
Sioux Falls	21,706	281,595,646	378	15,356,620
Nashville	197,375	3,065,882,734	5,013	211,269,230
Houston	403,725	7,739,262,178	19,850	972,306,725
Waco	384,472	6,781,483,102	18,617	878,032,664
Salt Lake City	67,693	1,430,956,815	2,780	150,997,606
White River Jct.	22,110	178,857,960	104	4,940,316
Roanoke	224,321	4,417,818,616	7,202	349,027,110
Seattle	202,536	3,409,380,130	9,432	528,814,474
Huntington	36,181	476,827,566	970	38,227,985
Milwaukee	133,675	1,811,036,322	2,988	145,387,710
Cheyenne	24,697	571,788,421	1,907	106,646,020

*Includes direct loans sold with a guaranty and mobile home loans.

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c. Guaranteed or Insured home loan foreclosure rates, cumulative through September 30, 1980

		Number of Loans		
		Closed	Foreclosed[1/]	Foreclosure Rate
	Totals	10,609,735	386,213	3.6
AL	Montgomery	169,386	7,634	4.5
AK	Anchorage	10,363	74	0.7
AZ	Phoenix	145,491	6,457	4.4
AR	Little Rock	62,070	1,818	2.9
CA	Los Angeles	1,030,759	43,629	4.2
	San Francisco	573,626	13,021	2.3
CO	Denver	282,014	8,884	3.2
CT	Hartford	113,134	1,166	1.0
DE	Wilmington	33,540	1,164	3.5
DC	Washington	18,183	265	1.5
FL	St. Petersburg	356,447	25,650	7.2
GA	Atlanta	262,550	13,191	5.0
HI	Honolulu	25,149	37	0.2
ID	Boise	39,015	632	1.6
IL	Chicago	343,293	13,524	3.9
IN	Indianapolis	213,976	7,017	3.3
IA	Des Moines	112,270	1,505	1.3
KS	Wichita	125,481	8,183	6.5
KY	Louisville	81,587	2,136	2.6
LA	New Orleans	157,599	6,154	3.9
ME	Togus	55,074	1,765	3.2
MD	Baltimore	155,547	4,808	3.1
	Washington, D.C.	109,185	917	0.8
MA	Boston	394,821	8,306	2.1
MI	Detroit	318,254	20,890	6.6
MN	St. Paul	229,522	4,191	1.8
MS	Jackson	84,569	4,409	5.2
MO	St.Louis	191,105	8,318	4.4
MT	Ft. Harrison	29,215	283	1.0
NE	Lincoln	62,402	1,067	1.7
NV	Reno	12,400	199	1.6
	Los Angeles, CA.	38,275	2,059	5.4
NH	Manchester	54,386	1,430	2.6
NJ	Newark	409,445	15,194	3.7
NM	Albuquerque	59,876	3,809	6.4
NY	Buffalo	160,185	1,497	0.9
	New York	607,885	11,579	1.9
NC	Winston-Salem	196,622	6,391	3.3
ND	Fargo	17,209	276	1.6
OH	Cleveland	536,955	25,788	4.8
OK	Muskogee	173,462	7,098	4.1
OR	Portland	53,012	871	1.6
PA	Philadelphia	347,149	15,886	4.6
	Pittsburgh	173,480	3,217	1.9
PR	San Juan	37,111	1,860	5.0
RI	Providence	25,706	623	2.4
SC	Columbus	108,100	5,062	4.7
SD	Sioux Falls	18,133	231	1.3
TN	Nashville	195,082	5,003	2.6
TX	Houston	399,108	22,923	5.7
	Waco	372,417	19,816	5.3
	Little Rock, AR.	1,414	58	4.1
UT	Salt Lake City	66,426	1,070	1.6
VT	White River Jct.	20,647	496	2.4
VA	Roanoke	221,659	4,145	1.9
	Washington, D.C.	124,819	498	0.4
WA	Seattle	196,750	6,912	3.5
	Portland, OR.	7,157	121	1.7
WV	Huntington	34,836	536	1.5
	Pittsburgh, PA.	4,296	55	1.3
WI	Milwaukee	126,536	3,779	3.0
WY	Cheyenne	23,570	636	2.7

1/ Claims paid.

d. Sale of loans and loans repurchased

Vendee loans are mortgage loans or installment contracts established when the Veterans Administration sells acquired property from liquidation of defaulted GI portfolio loans for less than all cash. These loans are sold to private investors with the provision that in case of default, they will be repurchased by the Veterans Administration. From the inception of the program through FY 1980, $3.1 billion has been received from the sale of vendee loans. $461.2 million, or 15 percent of the vendee loans have been repurchased through FY 1980.

The proceeds from the sale of loans are available for expenses of the Loan Guaranty Revolving Fund. The following table summarizes the sale and repurchase of loans in thousands of dollars.

Fiscal Year	Loans Sold	Loans Repurchased
1962 1/	$28,041	
1963	281,311	$3,039
1964	208,133	13,340
1965	265,551	24,580
1966	95,729	43,910
1967	64,702	40,980
1968	4,693	24,251
1969	199	15,732
1970	37,847	9,677
1971	185,254	13,400
1972	190,557	17,058
1973	319,271	24,231
1974	178,093	31,114
1975	162,922	30,579
1976	293,200	28,425
T.Q.	96,083	6,623
1977	289,547	43,522
1978	198,423	43,633
1979	...	28,930
1980	172,713	18,160
Total	$3,072,369	$461,184
Estimated		
1981	290,000	28,270
1982	248,000	42,625

1/ Cumulative from inception of program.

e. Property acquisitions and dispositions

Properties acquired as a result of foreclosure, are sold either for cash or on terms. In term sales, VA takes back a first mortgage or establishes an installment contract with the borrower. Cumulatively through fiscal year 1980, 390,938 of these loans, called vendee accounts, had been established. This represents 91 percent of all GI loan properties sold through fiscal year 1980. In fiscal year 1980 alone, of the 11,780 properties sold, 2,028 were sold for cash and 9,752 were sold for terms. Total sales value was $318.0 million, with $290.3 million in term sales.

The following table shows the property acquisitions and disposals from both foreclosed GI loans and vendee accounts:

Fiscal Year	Acquired	Redeemed	Sold	Inventory End of Year
Cumulative				
1951-60	53,705	579	46,966	6,160
1961	14,137	63	9,609	10,625
1962	20,442	113	13,470	17,484
1963	24,222	113	18,605	22,988
1964	25,947	92	29,337	19,506
1965	28,868	109	31,406	16,859
1966	27,312	158	28,933	15,080
1967	26,239	183	27,205	13,931
1968	22,150	302	23,219	12,560
1969	17,148	268	18,136	11,304
1970	13,835	299	14,960	9,880
1971	13,353	362	13,185	9,686
1972	14,948	363	13,993	10,278
1973	16,843	219	15,698	11,204
1974	17,395	243	17,355	11,001
1975	16,921	324	16,849	10,749
1976	18,240	335	17,273	11,381
T.Q.	4,134	61	4,411	11,043
1977	17,495	225	16,628	11,685
1978	15,499	253	15,676	11,255
1979	13,082	259	14,663	9,415
1980	11,549	207	11,780	8,977
Total	433,464	5,130	419,357	
Estimate				
1981	13,120	200	13,300	8,597
1982	13,030	200	12,830	8,597

The inventory of real property decreased by 4.6 percent from fiscal year 1979 to fiscal year 1980. Property sales and redemptions decreased by 9.7%, however, property acquisitions decreased by 11.7%. The inventory at the end of fiscal year 1979 had a total value of $233.7 million.

f. Average loss per property sold

The summary below measures the average loss on sale of properties acquired from holders through claim payment and liquidation of defaulted guaranteed and insured loans in fiscal years 1979 and 1980. Some of this loss is recovered from the collection of veterans indebtedness and from interest income from term sale of properties.

	Fiscal Year 1979	Fiscal Year 1980
Net Claim Amount	$2,352	$2,383
Additional Cost to Acquire	24,241	25,709
Capitalized Improvements and Rehabilitation Cost	1,643	1,565
Net Property Expense	1,109	1,357
Selling Expense	1,324	1,384
Total Cost	$30,669	$32,398
Loss: Selling Price	-26,588	-28,132
Average Loss Per Property Sold ...	$4,081	$4,266

The cumulative average loss per property sold, as of September 30, 1980 was $2,100 on properties acquired directly from GI loan liquidations.

Cumulatively through September 30, 1980, the VA sold 431,502 properties of the 445,898 properties acquired from foreclosed GI loans and VA portfolio loans (5,373 of the properties acquired were redeemed). The selling prices totaled $6,157 million, and the book value $6,045 million, resulting in a gross profit of $112 million, or an average $260 per property. Net expenses on the properties sold included $313 million in management expenses while they were in VA custody and $309 million for sales expense was a net loss of $510 million, or an average net loss of $1,181 on all classes of properties sold since the beginning of the program.

g. Outlays by Type of Property

	1980 Actual	1981 Estimate	1982 Estimate
I. Single Family Residential			
(1) Real Property Acquisitions:			
Number of acquisitions processed	9,890	11,368	11,263
Average cost per acquisition	$28,474	$28,992	$30,240
Total cost (in thousands)	$281,610	$329,582	$340,589
(2) Property Improvements:			
Number of properties acquired	$11,507	$13,068	$12,973
Average cost per property	$1,885	$1,889	$1,899
Total cost (in thousands)	$21,692	$24,684	$24,630
(3) Claims Processed:			
Number of claims processed	10,230	11,620	11,405
Average cost per claim	$2,246	$3,029	$3,195
Total cost (in thousands)	$22,975	$35,196	$36,436
(4) Loan Repurchases:			
Number of loans repurchased	1,063	1,535	1,951
Average cost per repurchase	$17,084	$18,417	$21,848
Total cost (in thousands)	$18,160	$28,270	$42,625
(5) Cash Advances - Vendee Loans:			
Total cost (in thousands)	$2,807	$3,000	$3,000
(6) Loans Acquired:			
Number of loans acquired	162	177	177
Average cost per acquisition	$33,895	$34,124	$36,175
Total cost (in thousands)	$5,491	$6,040	$6,403
(7) Property Management Expense:			
Average number of properties owned	9,173	8,761	8,571
Average cost per property	$1,770	$1,875	$2,162
Total cost (in thousands)	$16,238	$16,424	$18,531

g. Outlays by Type of Property (Cont.)

	1980 Actual	1981 Estimate	1982 Estimate
(8) Property Sales Expense:			
Number of sales	11,735	13,245	12,770
Average cost per sale	$1,300	$1,362	$1,407
Total cost (in thousands)	$15,256	$18,038	$17,970
II. Mobile home/lot			
(a) Claims Processed:			
Number of claims processed	803	800	800
Average cost per claim	$3,042	$3,213	$3,375
Total cost (in thousands)	$2,443	$2,570	$2,700
III. Condominiums			
(1) Real Property Acquisitions:			
Number of acquisitions processed	21	32	37
Average cost per acquisition	$26,095	$31,800	$33,400
Total cost (in thousands)	$548	$1,018	$1,236
(2) Property Improvements:			
Number of properties acquired	42	52	57
Average per property	$2,357	$2,173	$2,228
Total cost (in thousands)	$99	$113	$127
(3) Claims Processed:			
Number of claims	15	30	45
Average cost per payment	$3,000	$3,467	$3,644
Total cost (in thousands)	$45	$104	$164
(5) Cash Advances - Vendee Loans:			
Total cost (in thousands)	$4	$4	$4
(7) Property Management Expense:			
Average number of properties owned	23	26	26
Average cost per property	$1,956	$2,060	$2,160
Total cost (in thousands)	$45	$54	$56
(8) Property Sales Expense:			
Number of sales	45	55	60
Average cost per sale	$2,000	$2,100	$2,200
Total cost (in thousands)	$90	$116	$132

GUARANTEED LOANS

PERCENTAGE OF LIQUIDATED GI LOANS BY LIFE OF LOAN

Six Month Period Ending 9-30-80

Life of Loan Months	% Home Loans	% Condominium Loans	% Mobile Home Loans
0-11	7.1	0.0	19.1
12-23	28.6	20.0	34.2
24-35	19.3	0.0	20.7
36-47	13.0	20.0	7.8
48-59	8.6	0.0	2.3
60-71	5.9	0.0	3.4
72-83	4.8	20.0	6.6
84-95	2.9	40.0	3.9
96-107	2.4	0.0	1.8
108-119	1.3	0.0	0.2
Over 119	6.1	0.0	0.0
Total	100.0	100.0	100.0

NUMBER OF PROPERTIES IN ABSOLUTE TITLE BY AMOUNT OF TIME IN VA INVENTORY
September 30, 1980

Type of Property	Number of Months in Inventory 0-5 Months	6-11 Months	12-17 Months	18-23 Months	24 Months or More	Total
Single Family	4,469	2,266	857	392	306	8,290
Condominium	9	7	1	3	3	23
Total	4,478	2,273	858	395	309	8,313

DEFAULT AND CLAIM AGING ANALYSIS

PORTFOLIO LOANS AS OF 9-30-80

Type	Number of Months Delinquent 1-3 Months	3-6 Months	More Than 6 Months	Total
Direct Loan	1,887	255	118	2,260
Vendee	6,818	1,331	587	8,736

FY 1982 CONGRESSIONAL BUDGET SUBMISSION
DIRECT LOAN REVOLVING FUND

APPROPRIATION LANGUAGE

During [1981] 1982, within the resources available, gross obligations for direct loans are authorized only for specially adapted housing loans and obligations for such loans shall not exceed $1,000,000 (38 U.S.C., chapter 37). (Department of Housing and Urban Development - Independent Agencies Appropriation Act, 1981)

EXPLANATION OF LANGUAGE CHANGE

Federal credit programs are being reviewed more intensively within the budget process through a new control system. The system requires annual authorizations through appropriation language on direct loan obligations.

Fund Highlights
(dollars in thousands)

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
Costs	$49,160	$20,587	$15,668	$-4,919
Obligations	44,630	17,939	15,678	-2,261
Offsetting Collections	98,773	93,594	90,456	-3,138
Outlays	-67,154	-119,240	-72,133	+47,107
Number of loans approved	985	30	30	...
Number of loans closed	1,160	125	30	+95

Summary of Budget Request

In fiscal year 1982 Direct Loan Fund requirements are estimated to be $15.7 million, a $2.3 million decrease from fiscal year 1981. Collections are anticipated to be $90.5 million, a decrease of $3.1 million from 1981

Changes from Original 1981 Budget Estimates
(dollars in thousands)

	1981		
	Budget Estimate	Current Estimate	Increase(+) Decrease(-)
Costs	$14,243	$20,587	$+6,344
Obligations	14,243	17,939	+3,696
Offsetting Collections	145,625	93,594	-52,031
Outlays	-166,000	-119,240	+46,760
Number of loans approved	15	30	+15
Number of loans closed	15	125	+110

A. The $3.7 million increase in obligations is primarily due to the following:

- o A $4.4 million increase in the amount of direct loans to veterans as a result of an increase in the estimated number of direct loans closed from 15 to 125.
- o A $1.5 million decrease in discount on loan sales.
- o Offset by $2.6 million in loans obligated and unpaid.

Changes in 1981 Collection Estimates

B. The $52.0 million decrease in offsetting collections is primarily due to the following:

- o A $46.1 million decrease in the estimates for sale of loans as a result of fewer loans being available for sale and the change in market conditions.
- o A $14.7 million decrease in principal collections on direct and vendee loans.
- o Offset by a $9.6 million increase in interest collections.

Analysis of Increases and Decreases
(dollars in thousands)

	FY 1981 Current Estimate	FY 1982 Estimate
Prior year outlays	$-67,154	$-119,240
Decreases:		
Decrease in capital outlays (primarily direct loans to veterans)	-27,027	-2,595
Net change in receivables in excess of obligations	-30,574	...
Increases:		
Decrease in offsetting collections	+5,179	...
Decrease in all other offsetting collection	+ 336	+3,472
Net change in receivables in excess of obligations	...	+46,230
Estimate	-119,240	-72,133

- ° In FY 1981, outlays are $52 million above 1980 outlays because of a $27 million reduction in direct loan disbursements due to the limitation on direct loans.
- o The adjustments to receivables in FY's 1981 and 1982 are due to the return to VA of investment income accrued at the Government National Mortgage Association. This income was in escrow to pay the obligation of investors in Government Mortgage Liquidation Trust Certificates which will have completely matured in FY 1981.

The Veterans Administration is responsible for administering a direct loan program which was initiated by Public Law 81-475, effective July 25, 1950. Public Law 82-139 established the "Revolving Fund". The program was originally scheduled to end on June 30, 1951, but over the years the termination date has been extended. Public Law 91-506, approved October 23, 1970 revived the expired unused loan entitlement of World War II and Korean Conflict veterans. It also provided that direct loan authority and veterans eligibility would be open-ended until their entitlement is used.

Direct loans are restricted to supplementing specially adapted housing assistance for fiscal year 1982 through limitations proposed in the appropriation language.

Program Obligations

Actual and estimated significant items are summarized below. The description of each item follows:

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
Capital Outlay, funded:				
Direct loans to veterans...	$30,850	$3,608	$966	$-2,642
Property improvements.....	32	41	41	...
Cash advances-Vendee loans.....	1,183	1,389	1,436	+47
Total capital outlay, funded.	$32,065	$5,038	$2,443	$-2,595
Change in selected resources.	-4,530	-2,648	10	+2,658
Total capital outlay obligations.....	$27,535	$2,390	$2,453	$+63
Operating Expenses, funded:				
Interest on borrowings.....	8,247	8,700	6,400	-2,300
Property management & selling expense.....	212	250	260	+10
Interest expense on participation certificates.....	8,636	6,599	6,565	-34
Discount on sale of loans.....	...	...	...	...
Total operating expenses....	17,095	15,549	13,225	-2,324
Total obligations.....	$44,630	$17,939	$15,678	$-2,261

Capital Outlay

1. Direct loans to veterans

SAH Loans Closed:				
Number.....	21	30	30	...
Average per loan.....	$31,333	$32,000	$32,200	$+200
Amount (in thousands).....	$658	$960	$966	$+6
Other Loans Closed:				
Number	$1,139	95	...	-95
Average per loan	$26,507	$27,874	...	...
Amount (in thousands)	$30,192	$2,648	...	$-2,648

The above table shows the actual direct loans closed in 1980 and estimated closings for 1981 and 1982. These amounts represent the cost of loans actually disbursed for specially adapted housing and all other loans closed, which includes loans approved and obligated in a prior year. The table below shows the direct loans approved and obligated which includes loans to be disbursed in a subsequent year.

Loans Approved				
Number.....	985	30	30	...
Average per loan.....	$27,818	$32,000	$32,500	$+500
Amount (in thousands).....	$27,401	$960	$975	$+15

The number of direct loans closed or disbursed and those approved or obligated are expected to be the same in 1981 and 1982. The increase in the average cost per loan reflects the trend in the housing market.

2/3. All Other:
(Property improvements and cash advances and repurchases of loans sold)

Amount (in thousands).....	$1,215	$1,430	$1,477	$+47

Properties are acquired either by foreclosure or the voluntary conveyance of title to properties securing loans by the Veterans Administration. Capital expenditures are often necessary to put the property in a salable condition.

Advances are occasionally made to borrowers to cover taxes, hazard insurance and necessary repairs. These amounts are added to the current loan balance.

Pursuant to VA Regulaton 4600, the Administrator may sell with full recourse loans which have been created incident to the sale of VA acquired property. If the loans go into default, the Administrator may repurchase them.

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
Operating Expenses				
4. Interest on borrowings: Amount (in thousands)	$8,247	$8,700	$6,400	$-2,300

Interest expense is accrued monthly and paid semi-annually to the Treasury. These accruals are computed on the interest-bearing capital of the fund, and adjusted for the unexpended balance of the fund.

5. Property management, selling and general operating expenses: Amount (in thousands)	$212	$250	$260	$+10

Property management expense includes local real estate taxes, services performed by management brokers, and maintenance of the property in a salable condition. Sales expense includes brokers' fees and advertising costs incident to the sale of property owned by the Veterans Administration. This cost averages approximately 5% of the selling price. Operating expenses generally include a variety of miscellaneous expenses paid by the Government, incident to closing and liquidating loans.

6. Interest expense on participation certificates: Amount (in thousands)	$8,636	$6,599	$6,565	$-35

This represents the amount of interest the trustee is required to pay holders of participation certificates in respect to which direct loans have been set aside pursuant to 38 U.S.C. 1820(e). To the extent this expense exceeds the amount of interest collections on an equal amount of loans pledged to the trustee, participation sales insufficiencies result.

Financing of participation sales insufficiencies is as follows (in thousands of dollars):

Total interest accrued on participation certificates	$8,636	$6,599	$6,565	$-34
Interest accrued in Government Mortgage Liquidation Trust for which insufficiencies are not authorized	-2,071	...	...	...
Interest accrued in Federal Assets Financing Trust (FAFT) for which insufficiencies are authorized .	6,565	6,599	6,565	-34
Interest on equal amount of loans in the FAFT trust	-2,466	-2,000	-1,600	+400
Insufficiency	4,099	4,599	4,965	+366
Investment income from participation sales fund	-5,714	-6,357	-7,000	-643
Retained earnings reserved for payment of insufficiencies	1,615	1,758	2,035	+277
Budget authority	...	...	...	...

Program financing

The following table indicates the amounts available for obligation at the beginning of each year, the source of funds becoming available during the year, the disposition of funds during the year, and the amounts available at the end of each year.

Revenue and receipts consist principally of interest income and repayments on direct loans made to veterans. It is estimated that $93.6 million i 1981 and n $90.5 million in 1982 will be received from these sources.

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
		(dollars in thousands)		
Unobligated balance, start of year	$677,610	$473,476	$553,084	$+79,608
Offsetting Collections:				
Capital receipts:				
Sale of loans	...	...	...	...
Sale of properties (cash).	149	170	221	+51
Repayment of:				
Direct loans	52,582	52,390	52,180	-210
Vendee loans	2,128	2,000	1,900	-100
Other repayments	-106	-95	-95	...
Total capital receipts	54,753	54,465	54,206	-259
Operating income:				
Investment income from participation sales fund.	12,574	8,829	7,000	-1,829
Interest on loans	29,862	28,800	27,800	-1,000
Rental and other revenue	1,584	1,500	1,450	-50
Total operating income	44,020	39,129	36,250	-2,879
Total offsetting collections	98,773	93,594	90,456	-3,138
Total available	$776,383	$567,070	$643,540	$+76,470
Less:				
Unobligated balance transferred to other acounts:				
Loan Guaranty Revolving Fund	$-200,000	...	...	...
Participation Sales Fund (HUD)	-58,277	3,953	-3,590	-7,543
Obligations	-44,630	-17,939	-15,678	+2,261
Unobligated balance, end of year	$473,476	$553,084	$624,272	+71,188
Relation of obligations to outlays:				
Obligations	44,630	17,939	15,678	-2,261
Offsetting Collections	-98,773	-93,594	-90,456	+3,138
Obligations, incurred, net	-54,143	-75,655	-74,778	+877
Receivables in excess of obligations:				
Start of year	-45,962	-32,951	+10,634	+43,585
End of year	32,951	-10,634	-7,989	+2,645
Outlays	$-67,154	$-119,240	$-72,133	$+47,107

Financial condition

The program transactions described in the preceding pages result in the following financial condition at the close of fiscal years 1980, 1981, and 1982.

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
Assets:				
Fund balance with Treasury...	$440,525	$566,018	$637.097	$+ 71,079
Current:				
Accounts receivable, net.....	1,290	1,300	1,300	...
Interest collections in escrow for trustee.....	-197	-195	-195	...
Interest collections held by or for trustee.....	56,729	5,285	5,390	+105
Total current assets.....	57,822	6,390	6,495	+105
Loans receivable, net:				
Direct loans.....	426,666	378,386	327,720	-50,666
Vendee loans.....	20,632	19,490	18,421	-1,069
Total loans receivable, net.....	447,298	397,876	346,141	-51,735
Real property owned, net	792	828	841	+13
Total assets.....	$ 946,437	$971,112	$990,574	$+19,462
Liabilities:				
Current:				
Accrued interest payable.....	2,112	1,605	1,525	-80
Accounts Payable and accrued Liabilities.....	18,724	16,334	16,400	+66
Deferred credits.....	11	10	10	...
Total current liabilities.....	20,847	17,949	17,935	-14
Long-term:				
Participation certificates outstanding.....	105,144	105,144	105,144	...
Principal collections in escrow for trustee.....	11,967	500	500	...
Principal payments to be applied to redemption of participation certificates..	-88,462	-73,042	-76,632	-3,590
Debt issued under borrowing authority:				
Borrowing from Treasury.....	624,360	624,360	624,360	...
Net long-term liabilities...	653,009	656,962	653,372	-3,590
Total liabilities.....	$673,856	$674,911	$671,307	$-3,604

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
Government Equity:				
Retained income:				
Opening balance	$ 245,623	$ 272,581	$ 296,201	$+23,620
Net income for the year	26,958	23,620	23,066	-554
Government equity, end of year	272,581	296,201	319,267	+23,066
Total liabilities & Gov't. equity	$ 946,437	$971,112	$990,574	$+19,462

Revenue and expense

The net income in FY 1981 is estimated to be $23.6 million or $3.3 million less than it was in FY 1980. The net income in FY 1982 will decline to $23.1 million or $0.5 million less than FY 1981.

The following table reflects the major items of revenue and expense:

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
		(dollars in thousands)		
Revenue:				
Interest income	$29,862	$28,800	$27,800	$-1,000
Investment income from participation sales fund	12,574	8,829	7,000	-1,829
Rental and other revenue	1,584	1,500	1,450	-50
Total operating income	$44,020	$39,129	$36,250	$-2,879
Expenses:				
Funded operating expenses	17,095	15,549	13,225	-2,324
Unfunded operating expenses				
Write-offs:				
Direct loans to veterans	19	20	20	...
Vendee loans	...	1	1	...
Acquired Properties	...	...	...	...
Misc. Adjustments	5	3	3	...
Provision for allowances on unsold properties	-5	2	2	...
Total unfunded operating expenses	19	26	26	...
Total operating expense	17,114	15,575	13,251	-2,324
Net operating income	26,906	23,554	22,999	-555
Non-operating income:				
Sale of properties:				
Cash proceeds	149	170	221	+51
Vendee loans established	751	915	881	-34
Total sales	900	1,085	1,102	+17
Book value of properties sold	-848	-1,019	-1,035	-16
Net non-operating income	52	66	67	+1
Net income for year	$26,958	$23,620	$23,066	$-554

Statement of accountability

The following table indicates by source the cumulative amount of funds that were available for the Direct Loan Fund and their use through September 30, 1980:

Source of Funds:		
Borrowed from Treasury		$1,733,055,599
Less:		
Repayments to Treasury		2,977,603
Capital transferred to Loan Guaranty Fund		1,105,718,022
Interest bearing capital		624,359,974
Proceeds from sale of participation certificates:		
Gross from sale of P.C.'s	$1,097,000,000	
Unobligated balance applied to redemption of unmatured P.C.'s	(88,591,259)	
Net proceeds		1,008,408,741
Receipts from Operations:		
Sale of loans		1,034,564,743
Repayments		915,989,125 1/
Total Net Available		3,583,322,583
Use of Funds:		
Loans to veterans		3,458,672,544
Obligated for loans		4,023,249
Available for new loans		120,626,790
Total		3,583,322,583
Earnings through September 30, 1980:		
Interest on loans		1,215,678,900
Investment income		133,159,353
Rental and other revenue		66,677,929
Total income		1,415,516,182
Expenses and Losses:		
Interest on U. S. Treasury loans		522,696,344
Interest on participation certificates		439,967,905
Other expenses		30,164,113
Discount on loan sales		22,061,659
Total		1,014,890,021
Net earnings		400,734,465
Earnings transferred to Loan Guaranty Fund		128,152,978
Retained income as of September 30, 1980		272,581,487

1/ Excludes $1,073,293,945 principal collections transferred to participation Sales fund.

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Other program information

Since the inception of the Direct Loan program through September 1980, a total of about $4.8 billion has become available for making direct loans. These funds were provided from the following sources:

- Initially by periodic U.S. Treasury advances.
- Proceeds from the sale of direct loans to private investors.
- Proceeds of principal repayments on loans made.
- Sales of participation certificates.

From July 1950 through September 1980, 332,997 loans have been made in the amount of about $3.6 billion. This reflects the intent of the program - only to supplement the loan guaranty program in providing credit assistance to veterans; it represents only a small fraction of the number of loans guaranteed or insured by the Veterans Administration.

As of September 30, 1980, 172,911 direct loans have been repaid in full, 85,898 have been sold, and 11,405 have been terminated by foreclosure or voluntary conveyance. There were 62,807 loans still outstanding with an unpaid principal balance of approximately $426.7 million.

There have been several laws enacted which authorized the transfer of capital funds and earnings from the Direct Loan Revolving Fund to the Loan Guaranty Revolving Fund. To date, over $1 billion has been transferred under the authority granted by these acts.

The following activity took place in the direct loan program during fiscal year 1980:

- 2,196 applications received
- 1,160 loans closed
- 5,469 loans repaid in full
- 64 loans terminated by foreclosure or voluntary conveyance

In fiscal year 1981, new funds were only available for specially adapted housing direct loans.

a. Direct loans closed by entitlement

In fiscal year 1980, of 1,160 loans closed, 61 percent were to Vietnam Era veterans; 13 percent to Post-Korean veterans; 3 percent to servicemen; 4 percent to Korean Conflict veterans; 9 percent to World War II veterans; and 7 percent to restored entitlement. The following direct loans closed by entitlement:

	1979 Actual	1980 Actual	1981 Estimate	1982 Estimate	Inc/Dec 82 vs 81
World War II	108	103	11	...	-11
PL 94-324	3	2	1	...	-1
Korean Conflict	60	47	5	...	-5
Post-Korean	153	151	16	1	-15
Vietnam Era	941	708	76	27	-49
Servicemen	39	32	3	1	-2
Restored	98	80	9	...	-9
Post-Vietnam	17	37	4	1	-3
Total loans	1,419	1,160	125	30	-95

b. Direct loans closed by station

	Cumulative Thru 9-30-79		FY 1979 Only	
	Number	Principal Amount*	Number	Principal Amount*
Totals	332,997	$3,451,919,546	1,160	$30,850,079
Montgomery	7,990	79,256,234	0	0
Anchhorage	1,651	24,036,767	0	0
Phoenix	2,240	22,355,377	2	67,537
Little Rock	10,299	111,692,420	56	1,360,650
Los Angeles	1,977	20,801,849	0	0
San Francisco	2,929	31,334,996	0	0
Denver	3,773	35,707,804	0	0
Hartford	0	0	0	0
Wilmington	638	8,743,476	1	27,730
Washington	0	0	0	0
St. Petersburg	6,863	77,643,097	5	137,560
Atlanta	10,269	96,848,803	9	181,106
Honolulu	0	0	0	0
Boise	11,498	163,935,286	21	616,845
Chicago	11,578	106,318,395	37	887,296
Indianapolis	11,360	98,722,390	3	88,592
Des Moines	7,059	65,205,656	9	238,648
Wichita	5,108	45,132,371	2	78,092
Louisville	13,162	126,926,208	36	985,850
New Orleans	7,770	77,775,014	0	0
Togus	5,798	60,698,703	153	4,154,744
Baltimore	2,558	27,851,755	0	0
Boston	0	0	0	0
Detroit	8,805	84,931,651	0	0
St. Paul	17,859	205,429,005	138	3,663,688
Jackson	8,002	75,326,713	0	0
St. Louis	13,721	135,065,533	3	83,145
Ft. Harrison	7,497	96,585,548	117	3,194,543
Lincoln	5,537	56,692,439	17	433,358
Reno	938	10,315,726	0	0
Manchester	376	9,542,080	84	2,315,439
Newark	0	0	0	0
Albuquerque	2,162	20,338,100	0	0
Buffalo	1,439	12,240,946	0	0
New York	1,238	11,334,630	13	277,090
Winston-Salem	14,285	136,099,670	3	120,044
Fargo	3,336	35,983,575	11	256,518
Cleveland	18,096	182,013,890	8	268,510
Muskogee	8,242	90,131,730	41	1,013,536
Portland	4,449	47,012,898	0	0
Philadelphia	3,691	29,385,780	5	124,941
Pittsburgh	4,280	35,093,631	0	0
San Juan	3,116	33,259,139	2	73,761
Providence	0	0	0	0
Columbia	7,258	73,398,495	0	0
Sioux Falls	5,855	60,047,963	34	857,164
Nashville	8,218	74,973,746	8	237,386
Houston	3,931	44,146,116	48	1,262,481
Waco	9,549	97,207,604	55	1,327,003
Salt Lake City	7,180	90,505,542	31	855,016
White River Jct.	1,602	22,614,319	72	1,808,579
Roanoke	11,705	114,646,391	27	761,686
Seattle	4,162	44,215,353	0	0
Huntington	11,577	113,197,008	1	47,490
Milwaukee	7,105	74,810,950	36	997,232
Cheyenne	3,266	54,386,774	72	2,046,819

*Includes advances

c. Sale of Loans and Loans Repurchased

Direct loans are sold with a guarantee, and in case of default, the claim and property acquisition costs are paid from the Loan Guaranty Revolving Fund.

Direct Loan Fund Vendee loans are sold, usually, with the provision that in case of default, the Veterans Administration will repurchase them. Vendee loans are mortgage loans, or installment contracts, that are established when the Veterans Administration sells acquired properties for less than all cash. Direct Loan Fund properties are acquired through foreclosure or other liquidation of defaulted direct loans from the portfolio.

Proceeds from the sale of loans are available for capital expenditures of the Direct Loan Fund. From the inception of the program through FY 1980, over $1 billion has been received from the sale of direct loans and $12.2 million from Vendee loans. Cumulative vendee loan repurchases totaled $807 thousand or 6.6% of vendee loans sold through FY 1980. The following table summarizes in thousands of dollars.

Fiscal Year	Direct Loans	Vendee Loans	Total	Vendee Loans Repurchased
1962 1/	$ 84,139	$...	$ 84,139	$...
1963	181,140	62	181,202	...
1964	133,523	134	133,657	...
1965	60,545	282	60,827	14
1966	8,764	159	8,923	44
1967	5,166	746	5,912	36
1968	2,922	...	2,922	36
1969	1,012	...	1,012	3
1970	...	...	...	36
1971	58,412	532	58,944	35
1972	190,643	...	190,643	6
1973	159,647	9,828	169,475	37
1974	30,216	415	30,631	159
1975	...	...	...	106
1976	...	...	...	79
TQ	...	...	...	17
1977	106,278	...	106,278	87
1978	...	...	...	49
1979	...	...	...	9
1980	...	...	...	56
Total	$1,022,407	$12,158	$1,034,565	$807
Estimated				
1981	...	...	...	20
1982	...	...	...	20

1/ Cumulative from inception of program.

d. Direct loan foreclosure rates, cumulative through September 30, 1980, by station

		Number of Loans		
		Closed	Foreclosed 1/	Foreclosure Rate
Totals		332,997	11,405	3.4
AL	Montgomery	7,990	165	2.1
AK	Anchorage	1,651	90	5.5
AZ	Phoenix	2,240	89	4.0
AR	Little Rock	10,299	139	1.3
CA	Los Angeles	1,977	144	7.3
	San Francisco	2,929	72	2.5
CO	Denver	3,773	165	4.4
CT	Hartford	0	0	0.0
DE	Wilmington	638	17	2.7
DC	Washington	.	.	0.0
FL	St. Petersburg	6,863	421	6.1
GA	Atlanta	10,269	286	2.8
HI	Honolulu	0	0	0.0
ID	Boise	11,498	467	4.1
IL	Chicago	11,578	734	6.3
IN	Indianapolis	11,360	426	3.8
IA	Des Moines	7,059	73	1.0
KS	Wichita	5,108	155	3.0
KY	Louisville	13,162	277	2.1
LA	New Orleans	7,770	294	3.8
ME	Togus	5,798	248	4.3
MD	Baltimore	2,558	104	4.1
MA	Boston	0	0	0.0
MI	Detroit	8,805	584	6.6
MN	St. Paul	17,859	570	3.2
MS	Jackson	8,002	267	3.3
MO	St. Louis	13,721	447	3.3
MT	Ft. Harrison	7,497	195	2.6
NE	Lincoln	5,537	54	1.0
NV	Reno	938	26	2.8
NH	Manchester	376	3	0.8
NJ	Newark	0	0	0.0
NM	Albuquerque	2,162	105	4.9
NY	Buffalo	1,439	57	4.0
	New York	1,238	49	4.0
NC	Winston-Salem	14,285	483	3.4
ND	Fargo	3,336	113	3.4
OH	Cleveland	18,096	1,081	6.0
OK	Muskogee	8,242	192	2.3
OR	Portland	4,449	131	2.9
PA	Philadelphia	3,691	55	1.5
	Pittsburgh	4,280	276	6.5
PR	San Juan	3,116	9	0.3
RI	Providence	0	0	0.0
SC	Columbus	7,258	277	3.8
SD	Sioux Falls	5,855	193	3.3
TN	Nashville	8,218	180	2.2
TX	Houston	3,931	125	3.2
	Waco	9,549	227	2.4
UT	Salt Lake City	7,180	227	3.2
VT	White River Jct.	1,602	18	1.1
VA	Roanoke	11,705	226	1.9
WA	Seattle	4,162	212	5.1
WV	Huntington	11,577	426	3.7
WI	Milwaukee	7,105	153	2.2
WY	Cheyenne	3,266	78	2.4

1/ Includes voluntary conveyance.

e. Property acquisitions and dispositions

Properties acquired, as a result of foreclosure, are sold either for cash or on terms. In term sales, VA takes back a first mortgage or establishes an installment contract with the borrower. Cumulatively through fiscal year 1980, 10,397 of these loans, called vendee acocunts, had been established. This represents 86 percent of all direct loan properties sold through fiscal year 1980. In fiscal year 1980 alone, of the 48 properties sold, 10 were sold for cash, and 38 were sold for terms. Total sales value was $0.9 million, with $0.8 million in term sales.

The following table shows the property acquisitions and disposals from both foreclosed direct loans and vendee accounts:

Fiscal Year	Acquired	Redeemed	Sold	Inventory End of Year
Cumulative				
1951-1960	1,267	5	1,025	237
1961	464	6	353	342
1962	723	0	504	561
1963	1,021	5	782	795
1964	1,140	10	1,165	760
1965	1,153	6	1,306	601
1966	1,017	6	1,013	599
1967	1,032	7	967	657
1968	941	11	968	619
1969	793	15	823	574
1970	655	14	676	539
1971	540	21	615	443
1972	522	19	568	378
1973	378	19	484	253
1974	214	26	309	132
1975	139	34	152	85
1976	119	23	116	65
T.Q.	26	0	29	62
1977	89	5	109	37
1978	79	6	74	36
1979	63	2	59	38
1980	59	3	48	46
Total	12,434	243	12,145	
Estimate				
1981	60	5	55	46
1982	55	5	50	46

The inventory of 46 properties at the end of fiscal year 1980 had a total value of $792 thousand.

Part 4. Insurance Appropriations and Funds

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INSURANCE PROGRAM SUMMARY

The Veterans Administration administers six life insurance programs for the benefit of servicepersons, veterans, and their beneficiaries and oversees the administration of a seventh. These programs are:

1. Veterans Insurance and Indemnities (VI&I) is the only program which requires an annual appropriation by the Congress. This account provides payment for extra hazard costs to the National Service Life Insurance Fund and the United States Government Life Insurance Fund; supplements the SDVI Fund, and provides direct payments to its policyholders. It had its origins in WWII and was closed to new issues in 1949. At the end of September 1980, there were about 3,900 policies in force.

2. United States Government Life Insurance (USGLI) which had its orgin in World War I was closed to all but World War I veterans in 1940, and to all new issues in 1951. At the end of September 1980, there were about 99,400 policies in force.

3. National Service Life Insurance (NSLI) originated in 1940 during World War II. This program was closed to all new issues in 1951. At the end of September 1980, there were about 3.58 million policies in force.

4. Service-Disabled Veterans Insurance (SDVI) was added in 1951 during the Korean Conflict by Amendment to the original NSLI Act. It provides insurance only to veterans with service-connected disabilities. This insurance is still available to new issues. At the end of September 1980, there were about 189,200 policies in force.

5. Veterans Special Life Insurance (VSLI) was also added during the Korean Conflict. It covers insurance issued principally to Korean Conflict veterans, after April 1951 and before January 1957. There are about 533,000 policies in force.

6. Veterans Reopend Insurance (VRI) was issued for a period of one year, beginning May 1, 1965 for certain service and nonservice disabled veterans who had active service during the period October 8, 1940 to January 1, 1957. At the end of September 1980, there were about 167,300 policies in force.

7. The Servicemen's Group Life Insurance (SGLI) program was established September 29, 1965 for active member's of the uniformed services. It provided for group life insurance coverage by non-government insurers. This program is administered by the Prudential Insurance Company under the supervision of the Veterans Administration. Premiums are paid by payroll deduction and extra hazards costs by contributions from the service departments involved. All claims and payments are administered by the insurer, with an annual accounting for its experience and activity under this program. Effective May 24, 1974, legislation increased the coverage from $15,000 to $20,000 and provided full-time coverage to members of the Ready Reserve.

The administrative expenses of the Veterans Reopened Insurance program are charged to the insureds. Administrative expenses in connection with the other programs are borne by the General Operating Expenses appropriation.

Six separate funds; two trust funds, two revolving trust funds, one revolving fund, and one general fund have been established in the U.S. Treasury as the financing mechanisms for the programs. All premiums and collections on insurance issued under a fund are credited to that fund and all payments on such insurance are made from that fund. Each of the program funds is operated on a commercial basis to the extent possible consistent with all applicable statutes.

These programs make significant contributions toward providing reasonably adequate insurance protection for veterans, their families and dependents. Disability income benefits are available on an optional basis, with the exception of SDVI. The policies provide for waiver of premium in the event of total disability. Permanent plan policies provide for additional benefits in the form of loans at modest interest rates, cash surrender values, paid-up insurance and extended insurance features.

The Government life insurance programs have a significant impact on the economy.

- Since the inception of the various insurance programs through FY 1980, payments to beneficiaries and living policy holders have totaled about $33.9 billion.

- Beneficiaries of deceased policyholders were paid about $14.3 billion. Policyholders received about $12.1 billion in dividends and about $7.5 billion in disability payments, matured endowments, surrender value, and interest on dividend credit and deposit accounts.

- Death claim payments are expected to increase to about $554.5 million and disability payments to remain at $29.9 million in 1981.

The following table shows data relative to each of the six insurance funds as of September 1980 for which the Veterans Administration is responsible:

	U.S. Govt. Life Ins. WWI (USGLI)	National Service Life Ins. WWII (NSLI)	Veterans Insurance & Indemnities WWII (VI&I)	Service-Disabled Vet. Ins. Open (SDVI)	Veterans Special Life Ins. Korean (VSLI)	Veterans Reopened Ins. WWII-Korean (VRI)	Total
Beginning Date	1/1/19	10/8/40	8/1/46	4/25/51	4/25/51	5/1/65	
Closing Date	4/24/51	4/24/51	12/31/49	Open to new issues	12/31/56	5/2/66	
Policies in force, 5-yr. term	513	1,173,872	1,169	87,453	299,244	...	1,562,251
Policies in force permanent plans	98,933	2,401,469	2,729	101,697	233,745	167,326	3,005,899
Total policies in force	99,446	3,575,341	3,898	189,150	532,989	167,326	4,568,150
Total ins. in force ($'s in millions)	$405	$23,232	$21	$1,711	$4,641	$1,157	$31,167
Average amount per policy	$4,072	$6,498	$5,447	$9,048	$8,708	$6,915	$6,823
Average attained age in FY 1980	77.1	58.3	61.7	40.2	48.4	57.8	
Annual death rate per 1,000	78.5	12.6	22.9	10.1	3.7	10.9	

VETERANS INSURANCE AND INDEMNITIES

APPROPRIATION LANGUAGE

For military and naval insurance, national service life insurance, servicemen's indemnities, and service-disabled veterans insurance, as authorized by law (38 U.S.C. Chapter 19, 70 Stat. 887, 72 Stat. 487), [$1,360,000], $8,500,000, to remain available until expended.

During [1981] 1982, within the resources available, gross obligations for direct loans are authorized in such amounts as may be necessary to carry out the purposes of the "Veterans insurance and indemnities fund." (Department of Housing and Urban Development - Independent Agencies Appropriation Act, 1981).

APPROPRIATION/FUND HIGHLIGHTS

	1980 Actual	1981 Estimate	1982 Estimate	Increase(+) Decrease(-)
	(dollars in thousands)			
Major Activities or Programs:				
Payments to Insurance Trust Funds	$ 2,092	$ 1,975	$ 1,924	$ -51
Direct payments to policyholders and beneficiaries	$ 1,248	$ 1,428	$ 1,814	+386
Payments to SDVI Fund	$ 1,000	$ 6,770	$ 5,200	$ -1,570
All Other	$ 190	$ 192	$ 187	$ -5
Obligations/Costs	$ 4,530	$10,365	$ 9,125	$ -1,240
Offsetting Collections	$ 700	$ 664	$ 625	$ -39
Appropriation (Adjusted)	$ 5,400	$ 6,100	$ 8,500	$ +2,400
Outlays	$ 3,919	$ 9,700	$ 8,500	$ -1,200
Insurance in force:				
Number of Policies	3,898	3,750	3,600	-150
Amount	$21,234	$20,350	$19,512	$ -838

SUMMARY OF BUDGET REQUEST

Operations of the Veterans Insurance and Indemnities appropriation requires an annual appropriation by Congress. The requested funds will provide for the payment of claims incident to Military and Naval Insurance, National Service Life Insurance and Servicemem's Indemnities. Payments are also made to the Service-Disabled Veterans Insurance fund to supplement premiums and other receipts in amounts necessary to pay claims on insurance policies issued to eligible veterans with service-incurred disabilities.

Congress is being requested to appropriate $8,500,000 for FY 1982, an increase of $2,400,000 from the amount requested in the initial FY 1981 request ($1,360,000) and the proposed supplemental ($4,740,000).

CHANGES FROM ORIGINAL 1981 BUDGET ESTIMATES

	FY 1981 Budget Estimate	FY 1981 Current Estimate	Increase(+) Decrease(-)
		(dollars in thousands)	
Major Activities or Programs:			
Payments to Insuance Trust Funds	$ 2,348	$ 1,975	$ -373
Direct payments to policyholders and beneficiaries	$ 1,347	$ 1,428	$ +81
Payments to SDVI Fund	$ 1,440	$ 6,770	$ +5,330
All Other	$ 137	$ 192	$ +55
Obligations/Costs	$ 5,272	$10,365	$ +5,093
Offsetting Collections	$ 643	$ 664	$ +21
Appropriation (Adjusted)	$ 1,360	$ 6,100	$ +4,740
Outlays	$ 4,500	$ 9,700	$ +5,200
Insurance in force:			
Number of policies	3,690	3,750	+60
Amount	$20,173	$20,350	$ +177

FY 1980 actual experience necessitates the revision to the FY 1981 Budget Estimate. The $5.3 million increase in the transfer to the Service-Disabled Veterans Insurance Fund includes revisions for the greater number of policy loans and other cash requirements in this fund.

The increase in obligations and outlays primarily reflects the anticipated increase in payments to the SDVI Fund.

ANALYSIS of INCREASES AND DECREASES

	FY 1981 Current Estimate	FY 1982 Estimate
	(dollars in thousands)	
Prior year obligations	$ 4,530	$ 10,365
Increases (+) and (-) decreases:		
Payment to U. S. Government Life Insurance (USGLI)	-1	-1
Payment to National Service Life Insurance (NSLI)	-116	-50
Direct Payment to Policyholders and Beneficiaries:		
(a) USGLI	-94	...
(b) NSLI	+274	+386
Payment to Service-Disabled Veterans Insurance	+5,770	-1,570
Policy Loans made	...	-5
All other	+2	...
Estimated obligations	$ 10,365	$ 9,125

Explanation of Changes

o Payment to trust funds (USGLI and NSLI)

Claims traceable to the extra hazards of military service have declined over the past few years. A decrease is projected in both 1981 and 1982.

o Payment to Service-Disabled Veterans Insurance

These payments are necessary to supplement the cash position of the SDVI Fund. Funding requirements for 1981 are estimated to increase by $5.8 million over 1980 and decline in 1982 by $1.6 million.

o Policy loans made

Based on 1980 experience, policy loans are expected to remain relatively constant in 1981, and decrease slightly in 1982.

Summary of Requirements

	FY 1980 Actual	FY 1981 Budget Estimate	FY 1981 Current Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
	(dollars in thousands)				
Obligations:					
Military and Naval Insurance					
Death Claims	$ 1	$ 9	$ 1	$ 1	$ ...
Disability Claims	399	422	358	303	-55
Policy Liens	2	4	2	2	...
Total	$ 402	$ 435	$ 361	$ 306	$ -55
National Service Life Insurance					
Death Claims	$ 834	$1,288	$ 800	$ 974	$ +174
Cash Surrenders	112	101	151	190	+39
Disability Claims	213	186	209	200	-9
Matured Endowments	70	33	60	50	-10
Premium Refunds	32	17	26	20	-6
Policy Loans	188	162	188	185	-3
Policy Liens	...	1	...	...	...
Other	1,679	1,606	1,800	2,000	+200
Total	$ 3,128	$3,394	$ 3,234	$3,619	$ +385
Servicemen's Indemnities					
Death Claims	...	$ 3	...	...	...
Total	...	$ 3	...	...	...
Service-Disabled Veterans Insurance	$ 1,000	$1,440	$ 6,770	$5,200	$-1,570
Total obligations	$ 4,530	$5,272	$10,365	$9,125	$-1,240
Financing:					
Offsetting Collections					
Preminums earned	$ -420	$ -398	$ -375	$ -335	$ +40
Policy loans repaid	-188	-160	-190	-192	-2
All other	-92	-85	-99	-98	+1
Total	$ -700	$ -643	$ -664	$ -625	$ +39
Unobligated balance start of year	-2,031	...	-3,601	...	+3,601
end of year	3,601	...	...	...	...
Budget Authority (appropriation adjusted)	$ 5,400	$ 1,360	$ 6,100	$8,500	$+2,400
Workloads					
Death Claims					
Military & Naval Insurance	2	2	2	2	...
National Service Life Insurance	245	110	242	246	+4
Servicemen's Indemnities	...	...	...	...	...
Disability Claims					
Military & Naval Insurance	761	799	665	575	-90
National Service Life Insurance	302	307	285	275	-10
Cash Surrenders (NSLI)	36	20	28	20	-8
Matured Endowments (NSLI)	17	18	16	16	...
Policy Loans (NSLI)	89	70	77	75	-2
Policy Liens (M&N)	35	28	40	43	+3

Explanation of Increases and Decreases

Military and Naval Insurance

- o The downward trend in disability claims experienced in recent years is expected to continue in line with the decline in the number of WWI policyholders.

National Service Life Insurance

- o The $174,000 increase in death claims reflects an increasing mortality rate among policyholders.

Service-Disabled Veterans Insurance

- o Payments to the Service-Disabled Veterans Insurance Fund are made to supplement the premiums and other receipts of that fund in amounts necessary to pay current claims and to retain a sufficient fund balance for unplanned contingencies.

Object Classification

The following table summarizes obligations of the account by object classification:

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate
		(dollars in thousands)	
Investments and loans	$ 190	$ 190	$ 185
Grants, subsidies, and contributions	3,092	4,007	7,126
Insurance claims and indemnities	1,248	1,428	1,814
Total	$4,530	$5,625	$ 9,125

Program Description

The Veterans Insurance and Indemnities appropriation is made up of the former appropriations for Military and Naval Insurance, applicable to World War I veterans, the National Service Life Insurance, applicable to certain World War II veterans and Servicemen's Indemnities, applicable to Korean conflict veterans. The appropriation also provides supplemental funds for the Service-Disabled Veterans Insurance Fund. Financing is mainly by congressional appropriation, and a small amount of premiums which are credited to this appropriation under authority contained in 38 U.S.C. 719b.

Program Activity

Payments to beneficiaries and living policyholders during fiscal year 1980 exceeded $1.3 million. The cumulative total payments now exceeds $3.9 billion. A 4% reduction in the number of policies in force is forecast.

SERVICE-DISABLED VETERANS INSURANCE FUND

APPROPRIATION LANGUAGE

During [1981] 1982, within the resources available, gross obligations for direct loans are authorized in such amounts as may be necessary to carry out the purposes of the "Service disabled veterans insurance fund" (38 U.S.C. Chapter 19), (Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981).

FUND HIGHLIGHTS

	FY 1980 Actual	1981 Estimate	1982 Estimate	Increase (+) Decrease (-)
		(dollars in thousands)		
Major Activities:				
Death Claims	$18,669	$19,340	$21,035	$+1,695
Policy Loans	$7,405	~~$7,420~~ 5120	~~$7,372~~ 4472	~~$-48~~ -648
All Other	$3,409	$3,680	$4,185	$+505
Obligations/costs	$29,483	~~$30,440~~ 28,140	~~$32,590~~ 29,692	~~$+2,152~~ +1,152.
Offsetting Collections	$26,215	$33,123	$32,572	$+449
Outlays	$2,789	~~$-2,700~~ -5,000	~~$-100~~ -3,000	~~$+2,600~~ +2,000
Insurance in-force:				
Number of policies	189,150	192,600	195,600	+3,000
Amount	$1,711,415	$1,742,500	$1,770,500	$+28,000

SUMMARY OF BUDGET REQUEST

$28.1 A decrease of $1.3

Program requirements of the Service-Disabled Veterans Insurance Fund are estimated to be ~~$30.4~~ million in fiscal year 1981, ~~an increase of $1~~ million ~~over~~ from 1980. The fiscal year 1982 program cost is estimated to be ~~32.6~~ million, and increase of ~~$2.2~~ million over fiscal year 1981. 29.7 $1.1

Premium receipts, loan repayments and transfers from the Veterans Insurance and Indemnities appropriation are the primary means of financing payments from this fund.

No appropriation by the Congress is requested.

CHANGES FROM ORIGINAL 1981 BUDGET ESTIMATES

	Budget Estimate	Current Estimate	Increase (+) Decrease (-)
		(dollars in thousands)	
Major Activities:			
Death Claims	$18,799	$19,340	$+541
Policy Loans	$5,298	~~$7,420~~ 5,120	~~$+2,131~~ -178
All other	$2,455	$3,680	$+1,225
Obligations/Costs	$26,~~552~~	~~$29,440~~ 28,140	~~$+3,897~~ +1588
Offsetting Collections	$-26,514	$-33,123	$-6,609
Outlays	$...	~~$-2,700~~ -5,000	~~$-2,700~~ -5000
Insurance in force:			
Number of policies	196,800	192,600	-4,200
Amount	$1,779,662	$1,742,500	$-37,162

The current estimate of collections reflects an increase in the amount to be transferred from the Veterans Insurance and Indemnities appropriation. The anticipated transfer has been increased from $1.4 million to $6.8 million. Policy loans have ~~increased $2.1~~ decreased $1.78 million from the previous budget estimate. Matured endowment policies and cash surrenders account for an additional $1.2 million increase in obligations.

Analysis of Increases and Decrease

	FY 1981 Current Estimate	FY 1982 Estimate
	(dollars in thousands)	
Prior year outlays	$2,789	~~$-2,700~~
Increase (+) Decreases (-)		
Death claims	+671	+1,695
Cash surrenders	+101	+500
Matured endowments	+47	...
Policy loans and liens	+16	-48
Premiums earned	-1,033	-800
Interest on investments (policy loans)	-27	-110
Payment from Veterans Insurance & Indemnities	-5,770	+1,570
Other income (optional settlements)	-205	-109
Change in obligated balance	+711	-98
Estimated outlays	~~$-2,700~~	~~$-100~~

Explanation of Changes

Death Claims - In fiscal year 1981 2,545 deaths are anticipated at an average claim of $7,600, and for fiscal year 1982, we anticipate 2,673 claims at an average of $7,870 per claim.

Cash Surrenders - The number of cash surrenders peaked in 1980 at 1,204. The 1981 estimate is 1,065 and 1,000 in 1982. The respective average cash values are $2,408, $2,817 and $3,500.

Matured Endowments - During 1981, a total of 71 policies are due to attain maturity. The number of expected maturities in 1982 is 72.

Policy Loans and Liens - Policy loans and liens made exceed repayments in both 1981 and 1982, resulting in a net increase in outlays.

Premiums Earned - An expected increase in premiums in each of the next two years will be derived from the net increase in policies in force, estimated to 3,450 in 1981 and 3,000 in 1982.

Interest on Investments - Interest income from policy loans increases annually with the rise in policy loans outstanding.

Payment from Veterans Insurance and Indemnities - Outlays will decrease by $5.8 million in 1981, as a result of an estimated increase in the payment to be received. In 1982, outlays are estimated to increase as a result of a $1.6 million reduction in the payment to be received.

Change in Obligated Balance - Changes in the beginning and ending obligated balances of 1980 and 1981 result in a increase in outlays in 1981. A similar comparison of 1981 and 1982 results in an decrease in outlays in 1982.

Summary of Requirements

	FY 1980 Actual	FY 1981 Budget Estimate	FY 1981 Current Estimate	FY 1982 Estimate	Increase (+) Decrease (-)
		(dollars in thousands)			
Cost/Obligations					
Death Claims	$18,669	$18,799	$19,340	$21,035	$+1,695
Cash Surrenders	2,899	2,400	3,000	3,500	+500
Matured Endowments	353	400	400	400	...
Policy Loans	7,406	4,744	7,420	7,372	-48
Policy Liens	129	190	130	128	-2
Other	28	10	150	157	+7
Total	$29,483	$26,543	$30,440	$32,592	$+2,152
Offsetting Collections					
Premiums Earned	$-19,767	$-19,974	$-20,800	$-21,600	$+800
Interest Income	-1,273	-1,400	-1,300	-1,410	+110
Payment Vet. Ins. & Indem.	-1,000	-1,440	-6,770	-5,200	-1,570
Policy Loans Repaid	-3,329	-3,000	-3,205	-3,205	...
Other Income	-846	-700	-1,048	-1,157	+109
Total Offsetting Collections	$-26,215	$-26,514	$-33,123	$-32,572	$-551
Workload					
Death Claims	2,387	2,540	2,545	2,673	+128
Cash Surrenders	1,204	1,130	1,065	1,000	-65
Matured Endowments	75	75	71	72	+1
Policy Loans	3,298	2,461	2,871	2,852	-19
Policy Liens	400	117	370	350	-20

Explanation of Increases and Decreases

- Death claim payments to surviving beneficiaries continue to increase due to a higher mortality experience of policy holders.
- Most of the remaining increase in obligations is due to an anticipated rise in policy terminations by cash surrender.
- Premiums earned show an annual upward trend due to the increasing number of policies in force.
- The rise in interest income follows the increasing trend of policy loans outstanding.
- A $1.6 million decrease in the amount in the transfer from the Veterans Insurance and Indemnities appropriation is estimated in 1982 since an adequate cash reserve was established in 1981.
- Policy loan repayments are expected to be about 43% of policy loans made.

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Program Description

The Service Disabled Veterans Insurance Fund was established in 1951, as the financing mechanism for the insurance program authorized by section 620 of the National Service Life Insurance Act of 1940, as amended.

The fund receives premiums and other collections and pays claims on insurance policies issued to veterans with service-connected disabilities and whose service with the Armed Forces was after April 1951. The veterans must apply in writing for the insurance within one year from the date the disability was determined to be service-connected (38 U.S.C. 722). The plans are the same as those in the National Service Life Insurance Fund, but the insurance is nonparticipating.

Since the fund insures medically substandard lives at standard rates of premiums, the fund is not self-sustaining. Revenue is not sufficient to meet costs of operation. It is operated on virtually a pay-as-you-go basis by making periodic transfers from the Veterans Insurance and Indemnities appropriation to meet current expenses.

The number of policies in force will continue to increase annually since this program is still open for new issues.

Program Activity

During fiscal year 1980, payments from this fund to beneficiaries and living policyholders totaled $29.5 million. The aggregate total of payments made since the inception of the program now exceeds $348.8 million.

Operating Results and Financial Condition

The following table summarizes the current and estimated financial condition of the fund:

	1980 Actual	1981 Estimate	1982 Estimate
	(dollars in thousands)		
Assets:			
Fund balance with Treasury	$3,398	$5,404	$5,612
Accounts receivable (net)	709	996	1,315
Policy Loans	28,972	33,187	37,354
Policy Liens	465	500	533
Total assets	$33,544	$40,087	$44,814
Liabilities			
Accounts payable and accrued liabilities	$2,645	$2,000	$2,400
Deferred credits	1,145	1,400	1,547
Operating reserves:			
Reserve for cash surrender value	176,666	195,197	213,312
Reserve for future installments on matured contracts	6,427	6,557	6,624
Total liabilities	$186,883	$205,154	$223,883
Government equity:			
Unexpended balance: Unobligated balance	$317	$3,000	$2,980
Invested capital	-153,656	-168,067	-182,049
Total Government equity	$-153,339	$-165,067	$-179,069

	1980 Actual	1981 Estimate	1982 Estimate
	(dollars in thousands)		
Analysis of changes in Government equity:			
Paid-in capital	$4,500	$4,500	$4,500
Deficit:			
Opening balance	-144,220	-157,839	-169,567
Transactions:			
Net operating loss	-14,619	-18,498	-19,202
Payment from Veterans insurance and indemnities appropriation	1,000	6,770	5,200
Closing balance	-157,839	-169,567	-183,569
Total Government equity (end of year)	$-157,339	$-165,067	$-179,069

Outstanding policy loans in 1980 make up about 86.4% of the assets, decreasing to 83.4% in 1982 with cash as the bulk of the remainder. The outstanding loans are expected to increase in both 1981 and 1982 by about $4.2 million, continuing the trend. Loans made after January 10,1971, bear a 5% interest rate; earlier loans are at 4%. Liens at the present time bear the same interest rate as loans.

Miscellaneous accounts payable and accrued liabilities constitute 69.8% of current liabilities. Premiums paid in advance of the reporting period and other deferred credits make up the remainder.

The long term liabilities (operating reserves) represent payments that would have to be made if the fund were dissolved at the end of the specific fiscal year involved.

The Government equity consists of non-interest bearing capital of $4.5 million less the deficit of the fund. The deficit is expected to increase by about $25.7 million in the next two years.

The following table summarizes the revenue and expense of the fund:

	1980 Actual	1981 Estimate	1982 Estimate
	(dollars in thousands)		
Revenue:			
Funded			
Premiums earned (collected)	$19,767	$20,800	$21,600
Interest on investments	1,273	1,300	1,410
Other income	748	953	1,062
Unfunded			
Premiums earned (waivers)	8,192	8,864	9,652
Total	$29,980	$31,917	$33,724
Expense:			
Funded			
Death claims	$-18,669	$-19,340	$-21,035
All other	-3,280	-3,560	-4,057
Unfunded			
Premiums earned (waivers)	-8,192	-8,864	-9,652
Increase in operating reserves	-14,458	-18,661	-18,182
Total	$-44,599	$-50,415	$-52,926
Net operating loss	$-14,619	$-18,498	$-19,202

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The following table summarizes obligations of the fund by object classification:

Obligations:	1980 Actual	1981 Estimate	1982 Estimate
		(dollars in thousand)	
Investments	$7,534	$7,550	$7,500
Insurance claims and indemnities	21,949	22,890	25,092
Total	$29,483	$30,440	$32,592

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VETERANS REOPENED INSURANCE FUND

APPROPRIATION LANGUAGE

During [1981] 1982, within the resources available, gross obligations for direct loans are authorized in such amounts as may be necessary to carry out the purposes of the "Veterans reopened insurance fund" (38 U.S.C. Chapter 19), (Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981).

Fund Highlights

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
		(dollars in thousands)		
Major Activities or Programs:				
Death Claims	$15,102	$15,500	$15,800	$+300
Dividends	$13,706	$15,750	$15,000	$-750
Policy Loans	$11,761	~~$11,792~~ 8092	~~$11,692~~ 7892	~~$-100~~ -200
All Other	$9,975	$11,919	$13,308	$+1,389
Obligations/Costs	$50,545	~~$64,960~~ 51,261	~~$65,008~~ 53,000	~~$+848~~ +739
Offsetting Collections	$-65,347	$-65,878	$-69,999	$+4,121
Outlays	$-17,227	~~$-17,600~~ -21,300	~~$-17,000~~ -21,800	~~$+600~~ +500
Insurance in Force:				
Number of policies	167,326	163,600	159,600	-4,000
Amount	$1,157,421	$1,138,888	$1,114,094	$-24,794

Summary of Budget Request

51.3 Program requirements of the Veterans Reopened Insurance Fund are estimated to be ~~$55.0~~ million in fiscal year 1981, an increase of ~~$4.4 million~~ over fiscal year 1980. Th fiscal year 1982 program requirements are estimated to be ~~$55.0~~ million, or an increase of ~~$.8 million~~ over fiscal year 1981.
$739,000 $716,000 52

Operating costs projected for the current and budget years are well below anticipated fund revenue which consists mainly of premiums and interest on investments, thereby producing an annual increase in the unobligated balance of the fund.

No action by the Congress is requested.

Changes from Original 1981 Budget Estimates

	Budget Estimate	1981 Current Estimate	Increase(+) Decrease(-)
		(dollars in thousands)	
Major Activities or Programs:			
Death Claims	$18,000	$15,500	$-2,500
Dividends	$16,600	$15,750	$-850
Policy Loans	$7,098	~~$11,792~~ 8092	~~$+4,694~~ +994
All Other	$11,623	$11,919	$+325
Obligations/Costs	$53,291	~~$64,960~~ 51,261	~~$+11,669~~ -2,030
Offsetting Collections	$-61,420	$-65,878	$+4,458
Outlays	$-11,551	~~$-17,600~~ -21,300	~~$-6,049~~ -9749
Insurance In-Force:			
Number of policies	162,900	163,600	+700
Amount	$1,128,082	$1,138,888	$+10,806

decreased ~~increased~~ $2.0 ~~$1.7~~ million primarily as a result of fewer death claims ~~policy loans made~~. Increases in offsetting collections of $4.5 million due to policy loans repaid and interest on U.S. securities, contributed to a net decrease in outlays of ~~$6.8~~ 9.7 million.

Analysis of Increases and Decreases

	FY 1981 Current Est.	FY 1982 Estimate
	(dollars in thousands)	
Prior year outlays	$-17,227	$-17,600
Increase (+) and Decrease (-)		
Interest on investments	-131	-290
Other income	-1	+2
Death and disability claims	+470	+413
Cash surrenders	-247	-100
Matured endowments	+2,092	+1,400
Insurance premiums earned	+215	+600
Other Expenses	-615	-1,431
Policy loans and liens	+49	-120
Change in obligated balance	-4,258	+881
Dividends	+2,044	-750
Dividends paid on dividends deposits	+9	-5
Estimated outlays	-17,600	-17,000

Explanation of Changes

- Interest rates on current investments in U.S. securities range from 7.18% to 9.75%. The expected increase in interest earnings over the next two years is in anticipation of additional investments of $17.9 million in 1981 and $11.1 million in 1982.
- Interest on policy loans will increase in each of the next two years in line with the projected increase in policy loans outstanding.
- In fiscal year 1981, an increase of 170 deaths are anticipated at an average claim of $4,454. In fiscal year 1982, we anticipate an additional 100 deaths at an average claim of $4,413.
- Fifty-six fewer policies averaging $4,545 in cash value are expected to be surrendered in 1981; we anticipate 90 fewer policies averaging $5,429 to be surrendered in 1982.
- As a result of Public Law 96-128, this fund became participating in FY 1980. The initial dividend payments started in February 1980. Dividends should peak in FY 1981 and then begin a slight downward trend as the capital surplus diminishes.
- It is anticipated that premium income will steadily decline due to fewer policyholders.
- During 1981, 1,217 policies are due to attain maturity, an increase of 709 over 1980. We anticipate an additional 148 during 1982 for a new program high of 1,365 maturities in a year.

Summary of Requirements

	FY 1980 Actual	1981 Budget Estimate	1981 Current Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
		(dollars in thousands)			
Service Disabled Veterans Insurance:					
Death claims	$15,060	$17,930	$15,455	$15,752	$+297
Dividends	13,662	16,600	16,704	14,955	-749
Cash surrenders	2,248	1,800	2,000	1,900	-100
Disability claims	898	843	970	1,083	+113
Matured endowments	5,777	7,769	7,862	9,260	+1,398
Policy loans	11,753	7,073	11,810	11,691	-119
Policy liens	10	...	11	12	+1
Other	1.008	1,149	1,008	1,004	-4
Total	$50,416	$53,164	$54,820	$55,657	$+837
Offsetting Collections:					
Premiums earned	$-22,299	$-22,820	$-22,086	$-21,487	$-599
Interest on investments	-36,628	-35,185	-35,485	-36,979	$+1,494
Policy loans and liens repaid	-5,714	-2,404	-5,694	-5,594	-100
Other income	-971	-883	-2,475	-2,796	+321
Total	$-65,212	$-61,292	$-65,740	$-66,856	$+1,116
Workloads:					
Death claims paid	2,426	2,666	2,659	2,784	+125
Cash surrenders	496	430	439	349	-90
Disability claims	158	167	178	20	+22
Matured endowments	501	1,247	1,214	1,363	+149
Policy loans	5,277	4,214	5,991	5,941	-50
Policy liens	73	71	75	75	...
Non-service Disabled Veterans Ins.:					
Death claims	$42	$70	$45	$48	$+3
Dividends	44	...	46	45	-1
Cash surrenders	...	...	...	...	...
Disability claims	...	...	...	...	...
Matured endowments	31	31	38	40	+2
Policy loans	8	25	10	9	-1
Policy liens	...	...	...	...	...
Other	4	1	1	1	...
Total	$129	$127	$140	$143	$+3
Offsetting Collections:					
Premiums earned	$-15	$...	$-14	$-13	$-1
Interest on investments	-112	-115	-115	-120	+5
Policy loans and liens repaid	-6	-2	-6	-6	...
Other income	-2	-11	-3	-4	+1
Total Offsetting collections	$-135	$-128	$-138	$-143	$+5
Workloads:					
Death claims paid	13	20	12	12	...
Cash surrenders	...	...	1	1	...
Disability claims	...	...	...	...	...
Matured endowments	7	3	3	2	-1
Policy loans	8	8	8	8	...
Policy liens	...	...	...	...	...

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Explanation of Increases and Decreases

- Death claims are forecast in an upward trend for the next two years. The estimates reflect a $400,000 increase in 1981 and $300,000 in 1982.
- The projected decreases in cash surrenders in each of the next two years are based on current trends.
- Matured endowments will increase by about $2.1 million in 1981 and increase an additional $1.4 million in 1982 due to expected maturity dates of in-force policies.
- The projected decrease in premiums is due a decrease in the number of policyholders.
- Policy loans repaid are expected to be less than policy loans made, thereby increasing the outstanding loan balance.
- Total requirements are expected to remain relatively stable in FY 1981 and FY 1982.

Program Description

This revolving fund finances the payment of claims and administrative costs on insurance policies issued after April 30, 1965 and prior to May 3, 1966, under three insurance programs (38 U.S.C. 725). They are as follows: Veterans Service-Disabled Standard Insurance for veterans with service-connected disabilities, but who were otherwise insurable according to established good health standards; Veterans Service-Disabled Rated Insurance for veterans with service-connected disabilities who do not qualify for insurance at standard premium rates solely because of their service-connected disability; and the Non-Service-Disabled Insurance for veterans with non-service incurred disabilities who are unable to obtain commercial insurance at standard rates. Legislation was enacted on November 28, 1979 (P.L. 96-128) making this fund participating, thereby enabling the payment of dividends.

Separate accounting and actuarial records are maintained for these three programs for the purpose of determining the actual costs and to provide the basis for adjusting program premium rates independently, as required by law. Since the inception of the program, two reductions of the premium rates were made due to favorable experience in investment income and lower mortality experience.

Program Activity

During fiscal year 1980, payments from this fund to beneficiaries and living policyholders totaled approximately $38.8 million. The aggregate total of payments made since the inception of the program now exceeds $214 million. Dividends totaling $15.8 million will be paid during FY 1981, and $15.0 million are expected to be paid in FY 1982.

Operating Results and Financial Condition

The following table summarizes the actual and estimated financial condition of the fund:

	1980 Actual	1981 Estimate	1982 Estimate
	(dollars in thousands)		
Assets:			
Fund balance with Treasury	$840	$575	$650
U.S. securities (par)	454,814	472,679	483,779
Accounts receivable (net)	10,066	6,114	4,078
Policy loans	39,473	45,574	51,675
Policy liens	38	36	35
Total assets	$505,231	$524,978	$540,217
Liabilities:			
Accounts payable and accrued liabilities	$3,971	$6,358	$4,050
Deferred credits	2,494	2,816	3,064
Operating reserves:			
Policy reserves	411,989	433,889	451,679
Premium waiver disability reserves	14,263	16,120	17,705
Reserve for future installments on matured contracts	2,932	2,988	2,913
Total disability income reserves	12,611	14,140	15,525
Reserve for dividends	15,750	15,750	15,000
Total liabilities	$464,010	$492,061	$509,936
Government equity:			
Unexpended balance-Unobligated balance	$459,276	$470,194	$481,393
Invested capital	-418,055	-437,277	-451,112
Total Government Equity	$41,221	$32,917	$30,281
Analysis of changes in Government equity:			
Retained income:			
Opening balance	$57,756	$41,221	$32,917
Transactions: Net operating income or loss (-)	-16,535	-8,304	-2,636
Closing balance	$41,221	$32,917	$30,281

A reasonable amount of cash income is held for current expenses with the remaining funds invested in interest bearing U.S. Securities. These investments, $454.8 million in 1980, constitute about 90% of the total assets. There should be sufficient capital to increase these investments in the next two years to $483.8 million. Cash and outstanding policy loans and liens make up the remaining assets. Loans made after January 10, 1971 bear 5% interest; earlier loans are at 4%. Liens at the present time bear the same interest rate as loans.

In FY 1980 premiums paid in advance of the reporting period constitute 38.6% of the current liabilities. Miscellaneous accounts payable make up 61.4%.

Long term liabilities (operating reserves) are amounts determined on an actuarial basis and placed in reserve to assure payment of future benefits. This trend should continue upward for several years.

Retained income is the cumulative earnings in excess of those set aside as operating reserves. They provide an additional safety margin against adverse contingencies.

The following table summarizes the actual and estimated revenue and expense of the fund:

	1980 Actual	1981 Estimate	1982 Estimate
	(dollars in thousands)		
Revenue:			
Funded:			
Interest on securities	$34,961	$35,600	$37,099
Interest on investments (policy loans)	1,779	1,910	2,200
Premiums earned (collected)	22,815	22,100	21,500
Other income	572	568	600
Unfunded:			
Premiums earned (waived)	2,110	1,976	2,259
Total	$61,737	$62,154	$63,658
Expense:			
Funded:			
Death claims	$15,102	$15,500	$15,800
All other	23,671	27,640	28,300
Unfunded:			
Premiums waived	2,110	1,976	2,259
Increase in operating reserves	37,389	25,342	19,935
Total	$78,272	$70,458	$66,294
Net Operating:			
Income or loss (-)	$-16,535	$-8,304	$-2,636

The following table summarizes the actual and estimated obligations of the fund by object classification:

	1980	1981	1982
	(dollars in thousands)		
Other services	$1,008	$1,895	$2,010
Investments and loans	11,771	11,820	11,700
Insurance claims and indemnities	23,974	25,400	27,000
Dividends and interest	13,792	15,845	15,090
Total obligations	$50,545	$54,960	$55,800

SERVICEMEN'S GROUP LIFE INSURANCE FUND

Fund Highlights

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
		(dollars in thousands)		
Major Activities:				
Premium payments	$99,177	$103,150	$103,150	$...
Administrative Expenses paid to General Operating Expense Account	$550	$450	$450	...
Obligations/costs	$99,727	$103,600	$103,600	...
Offsetting collections	$99,846	$103,482	$103,600	$118
Outlays	$-146	$146	...	...
Insurance in-force:				
Number of policies	3,144,300	3,100,000	3,100,000	...
Amount	$62,691,234	$62,700,000	$62,700,000	...

Summary of Budget Request

The Servicemen's Group Life Insurance Fund is a revolving fund having permanent and indefinite authorization to receive collections and pay premiums and extra hazard costs on Servicemen's Group Life Insurance and administrative cost to the Veterans Administration (38 U.S.C. 769(d)(1)). Congressional action is not required.

Changes from Original 1981 Budget Estimates

	FY 1981		
	Budget Estimate	Current Estimate	Increase(+) Decrease(-)
		(dollars in thousands)	
Major Activities:			
Premium payments	$103,700	$103,150	$-550
Administrative Expenses paid to General Operating Expense Account	$400	$450	$+50
Obligations/costs	$104,100	$103,600	$-500
Offsetting Collections	$-104,100	$-103,482	$+618
Outlays	$...	$...	$...
Insurance in-force:			
Number of policies	3,100,000	3,100,000	...
Amount	$61,882,000	$62,700,000	$+818,000

The revised estimates reflect a decrease in obligations of $500,000 and a decrease in offsetting collections of $618,000.

Analysis of Increases and Decreases

	FY 1981 Current Estimate	FY 1982 Estimate
	(dollars in thousands)	
Prior year outlays	$-146	$+146
Increases (+) & Decreases (-):		
Withholdings from service pay	-3,636	-118
Premium payments	+3,973	...
Administrative Expenses paid to GOE Account	-100	...
Change in obligated balance	+55	-28
Estimated outlays	$+146	$...

Explanation of Changes

- Funds to be deposited in FY 1981 will be $3.6 million greater because of administrative delay in transferring withholdings in FY 1980.
- Premium payments. - Represent disbursements to the primary insurer of premium withholdings from service pay. Payments are estimated to increase by nearly $4 million in 1981 from 1980.
- Administrative Expenses Paid to General Operating Expense Account - Payments are estimated to decrease $100 thousand in 1981.

Summary of Requirements

	FY 1980 Actual	1981 Budget Estimate	1981 Current Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
	(dollars in thousands)				
Obligations:					
Premium payments	$99,177	$103,700	$103,150	$103,150	$...
Administrative Expenses paid to General Operating Expense Account	550	400	450	450	...
Total Obligations	$99,727	$104,100	$103,600	$103,600	$...
Financing:					
Withholdings from service pay	$99,846	$104,100	$103,482	$103,600	$+118
Unobligated balance					
Start of year	...	...	...	...	...
End of year	118	...	...	...	...
Total	$99,964	$104,100	$103,482	$103,600	$+118

Explanation of Increases and Decreases

- The premium payments to be made in FY 1982 are expected to remain stable.
- In FY 1981, the estimated withholdings from service pay are based on an approximate 3,092,500 active duty and Ready Reservists at $3.00 per month, and 7,500 part-time reservists at $2.00 per annum for $20,000 life insurance coverage.

Program Description

This fund finances the payment of group life insurance premiums to private insurance companies under the Servicemen's Group Life Insurance Act of 1965 (38 U.S.C. 765-776) as amended, and any expenses incurred by the Veterans Administration in administration of the Act.

When introduced, this program provided up to $10,000 group life insurance to members on active duty in the United States Army, Navy, Air Force, Marine Corps, Coast Guard, Public Health Service, and National Oceanic and Atmospheric Administration. Insurance coverage continues, premium free for 120 days after separation or up to one year for those totally disabled at the time of separation.

On June 25, 1970, new legislation increased the maximum amount of insurance to $15,000 and part-time coverage was extended to all Reservists, to members of the National Guard, and ROTC members, but only while engaged in authorized training or traveling to and from such duty. Cadets and midshipmen of the four service academies were included for the same full-time coverage by legislation enacted June 20, 1972.

On May 24, 1974, the maximum amount of insurance was increased to $20,000 by new legislation. This legislation also gave full-time coverage to all Ready Reservists, including members of the National Guard who may be required to perform active duty for training, and each year will be scheduled to perform at least 12 periods of inactive duty training that is creditable for retirement purposes, and established a new insurance program known as Veterans Group Life Insurance (VGLI) for all separated servicemen who carried SGLI at time of separation of discharge. On July 1, 1978, the premium was reduced from $0.17 to $0.15 per month per $1,000.

Program Activity

Except for Retired Reservists, SGLI coverage is automatic for $20,000 unless the member elects in wrting to be insured for $5,000, $10,000 or $15,000 or not be insured at all.

These programs are supervised by the Veterans Administration and administered by a commercial primary insurer, the Prudential Insurance Company of America. During 1980 there were 405 companies participating in the program as reinsurers and converters, and an additional 26 were participating as converters only.

Insurance premiums for active duty personnel, Ready Reservists and Reservists with part-time coverage are deducted from their pay and remitted by the respective services to the Veterans Administration, which in turn remits them to the primary insurer. Retired Reservists must send their premiums directly to the primary insurer.

NATIONAL SERVICE LIFE INSURANCE FUND

APPROPRIATION LANGUAGE

During [1981] 1982 within the resources available, gross obligations for direct loans are authorized in such amounts as may be necessary to carry out the purposes of the "National service life insurance fund" (38 U.S.C. Chapter 19), (Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981).

Fund Highlights

(dollars in thousands)

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
Major Activities:		~~$197,595~~	$171,356	
Death Claims	$440,036	$455,090	$470,236	$+15,146
Dividends	$493,524	$539,000	$559,000	$+20,000
Policy Loans	$213,175	~~$256,895~~	~~$254,056~~	~~$-2,839~~ -6239
All Other	$143,585	$148,615	$151,865	$+3,250
Obligations/Costs	$1,290,320	~~$1,399,600~~	~~$1,435,957~~	~~$+36,357~~ +32,247
Offsetting Collections	$-339,529	-356,320	$-364,145	$+7,825
Appropriation (perm., indef.)	$1,044,166	$1,134,700	$1,161,900	$+27,200
Outlays	$928,228	~~$1,035,700~~ 956,400	~~$1,068,500~~ 979,000	~~$+26,800~~ +22,600
Insurance in Force:				
Number of policies	3,575,341	3,491,500	3,406,800	-84,700
Amount	$23,231,484	$24,229,900	$23,834,700	$-395,200

$1,320,300 $1,352,547

Summary of Budget Request

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Program requirements of the National Service Life Insurance Fund are estimated to be $1.32 ~~$1.40~~ billion in fiscal year 1981, an increase of ~~$109.3~~ million over 1980. The fiscal year 1982 program is estimated to be ~~$1.44~~ billion or an increase of ~~$36.4~~ million over 1981. Offsetting collections are expected to be higher in 1982 due to increases in policy loan repayments, interest on investments, and premium receipts. $1.35 $38.2

Budget authority is made available to the fund automatically each year without further action by the Congress.

Changes from Original 1981 Budget Estimates

	Budget Estimate	FY 1981 Current Estimate	Increase(+) Decrease(-)
		(dollars in thousands)	
Major Activities or Programs:			
Death Claims	$436,000	$455,090	$+19,090
Dividends	$499,000	$539,000	$+40,000
Policy Loans	$139,612	~~$256,895~~ 177,595	~~$+117,283~~ +37,983
All Other	$127,120	$148,615	$+21,495
Obligations/Costs	$1,201,732	~~$1,399,600~~ 1,320,300	$+197,868 +118,568
Offsetting Collections	$-256,507	$-356,320	$+99,813
Appropriation (perm., indef.)	$1,060,193	$1,134,700	$+74,507
Outlays	$931,000	~~$1,035,700~~ 956,400	$+104,700 +25,400
Insurance in Force:			
Number of Policies	3,518,000	3,491,500	-26,500
Amount	$22,863,482	$24,229,900	$+1,366,418

The revised estimates reflect the most recent actuarial outlook of program activities that occurred during fiscal year 1980.

$118.6 37.9

The ~~$197.9~~ million increase in obligations is due to an increase of ~~$117.3~~ million in policy loans made, $40 million in estimated dividends and $40.6 million for other costs in operating the program.

The $99.8 million increase in offsetting collections is due to a $38 million increase in policy loan repayments and other increases totaling $67.7 million due to premium income and interest on investments, offset in part by a $5.9 million decrease in optional income settlements.

Analysis of Increases and Decreases

	FY 1981 Current Estimate	FY 1982 Estimate
	(dollars in thousands)	
Prior year outlays	$928,228	$1,035,700
Increases (+) and Decreases (-)		
Death and disability claims	+16,805	+16,897
Cash surrenders and matured endowments	+1,368	+1,000
Dividends	+45,476	+20,000
Policy loans and liens	+43,725	-2,040
Interest paid on dividend credits and deposits	+1,906	+500
Change in obligated balance & other adjustments	-1,808	-9,557
Estimated outlays	$1,035,700	$1,060,600

Explanation of Changes

* Greater disbursements for death and disability claims will increase outlays during 1981 and 1982.

* Following the trend in recent years, policy loans and liens are expected to increase in FY 1981 and with a gradual return to normal levels beginning in FY 1982.

* Greater projected cash surrenders and matured endowments will increase outlays in 1981 and 1982.

* The $45.5 million increase in dividends for 1981 and the $20 million increase for 1982 is attributable to higher interest earnings and premiums.

Summary of Requirements

	FY 1980 Actual	1981 Budget Estimate	1981 Current Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
		(dollars in thousands)			
Obligations:					
Death Claims	$440,036	$436,000	$455,090	$470,236	$+15,146
Dividends 1/	493,524	499,000	539,000	559,000	+20,000
Cash Surrenders	51,050	38,400	52,000	52,500	+500
Disability Claims	20,419	21,979	22,170	23,921	+1,751
Matured Endowments	48,882	47,286	49,300	49,800	+500
Interest on Dividends	22,976	19,165	24,882	25,382	+500
Policy Loans Made	213,176	139,612	256,895	254,856	-2,039
Policy Liens Established	139	130	145	144	-1
All Other	118	160	118	118	...
Total	$1,290,320	$1,201,732	$1,399,600	$1,435,957	$+36,367

1/ Based on experience, cash dividends represent about 59% of total dividend declared.

	FY 1980 Actual	1981 Budget Estimate	1981 Current Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
Offsetting Collections:					
Policy Loans Repaid	$-115,323	$-86,000	$-124,000	$-128,000	$-4,000
Policy Liens Repaid	-139	-137	-142	-145	-3
Optional Income Settlement	-27,156	-32,400	-26,500	-26,000	+500
Net income offsets & adjustments	-196,911	-137,970	-205,678	-210,000	-4,322
Total	$-339,529	$-256,507	$-356,320	$-364,145	$-7,825
Budget Authority: (cash income)					
Premium Payments	$457,005	$439,080	$468,426	$472,561	$+4,135
Interest Securities	585,095	618,800	664,324	687,439	+23,115
Payments from General and Special Funds	2,066	2,313	1,950	1,900	-50
Total Cash Income	$1,044,166	$1,060,193	$1,134,700	$1,161,900	$+27,200
Workloads:					
Death Claims Paid	58,711	59,900	61,967	64,139	2,172
Cash Surrender	13,235	9,910	11,900	10,500	-1,400
Disability Claims Paid .	3,150	3,555	3,408	3,675	+267
Matured Endowments	8,307	8,910	8,577	8,251	-326
Policy Loans	77,878	59,862	67,802	67,265	-537
Policy Liens	3,332	2,849	3,571	3,698	+127

Explanation of Changes

- In FY 1981, estimates provide for a total of 61,967 death claims, an increase of 3,256 over FY 1980, averaging $7,344 per claim. In FY 1982, we anticipate a total of 64,139 claims, an increase of 2,172 over 1981, averaging $7,332 per claim.
- The increase in dividends is due to an increase in earnings in FY 1982 over FY 1981.
- The number of cash surrenders and matured endowments have been decreasing and are expected to continue to decline. However, increasing average cash value will result in increased expenditures for these categories.
- Disability claims have progressively increased in the past few years. This trend is expected to continue, as the average age of the insureds, now 58, increases.
- A total of 8,577 policies ae due to mature in 1981, for an increase of nearly 270 matured endowments over 1980.

Program Description

This fund was established in 1940 as the financing mechanism for World War II serviceperson's and veterans' insurance programs, authorized by the National Service Life Insurance Act of 1940 (72 Stat. 1154). Over 22 million policies have been issued under this program. No new policies were issued after 1951.

Program Activity

During fiscal year 1980, payments from this fund to beneficiaries and living policyholders totaled about $1.077 billion. The aggregate total of payments made since the inception of the program now exceeds $26.7 billion. Insurance in force is estimated to decrease by $395.2 million, representing a decrease of 84,700 policies in 1982.

Operating Results and Financial Condition

The following table summarizes the current and estimated financial condition of the fund:

	1980 Actual	1981 Estimate	1982 Estimate
	(dollars in thousands)		
Total Assets	$9,418,917	$9,652,673	$9,884,877
Current Liabilities	$456,260	$473,116	$497,706
Long Term Liabilities	$8,866,363	$9,098,590	$9,315,613
Retained Earnings	$91,294	$80,967	$71,558

A reasonable amount of cash income is held in the cash account for current expenses with the remaining excess invested in interest bearing U.S. Securities. These investments, $8.07 billion in 1980, constitute about 85.7% of the total assets. Policy loans of about $1.15 billion constitute most of the remaining assets. Loans made after January 10, 1971 bear a 5% interest rate; earlier loans are 4%. Liens at the present time bear the same interest rate as loans.

As of September 30, 1980, current liabilities are comprised mostly of the following:

(a) Dividends due the insured, but left on deposit. These constitute about 71.3% of the current liabilities. Dividends left on deposit earn interest for the insured and are a safeguard in case of premium shortages.

(b) Matured contracts payable represent amounts due policyholders and beneficiaries on matured contracts pending issuance of awards. These constitute about 7.4% of the total current liabilities.

(c) Unearned premiums which are premiums paid in advance as of the end of the reporting period. These amount to about 15.7% of the total current liabilities.

Long-term liabilities or (operating reserves) are amounts determined on an actuarial basis and placed in reserve to assure payment of future benefits.

Retained earnings are the cumulative earnings in excess of those set aside as operating reserves. They provide an additional safety margin against adverse contingencies.

Object Classification

The following table summarizes obligations of the fund by object classification:

	1980 Actual	1981 Estimate	1982 Estimate
	(dollars in thousands)		
Investment and loans	$213,315	$257,040	$255,000
Insurance claims and indemnities	560,505	578,678	596,575
Dividends and interest	516,500	563,882	584,382
Total	$1,290,320	$1,399,600	$1,435,957

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UNITED STATES GOVERNMENT LIFE INSURANCE FUND

APPROPRIATION LANGUAGE

During [1981] 1982, within the resources available, gross obligations for direct loans are authorized in such amounts as may be necessary to carry out the purposes of the "United States Government life insurance fund" (38 U.S.C. Chapter 19). (Department of Housing and Urban Development-Independent Agencies Appropriation Act 1981).

Fund Highlights

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase(+) Decrease(-)
		(dollars in thousands)		
Major Activities:				
Death Claims	$43,793	$42,500	$41,000	$-1,500
Dividends	$28,936	$26,200	$24,000	$-2,200
Policy Loans	$5,983	$5,880	$5,780	$-100
All Other	$8,554	$7,520	$7,020	$-500
Obligations/Costs	$87,086	$82,100	$77,800	$-4,300
Offsetting Collections	$-11,447	$-15,135	$-15,150	$+15
Appropriation (perm., indef.)	$37,968	$34,000	$31,600	$-2,400
Outlays	$76,683	$66,700	$62,500	$-4,200
Insurance in Force:				
Number of policies	99,446	92,000	84,600	-7,400
Amount	$404,926	$372,784	$340,853	$-31,931

Summary of Budget Request

Program costs of the U.S. Government Life Insurance fund are estimated to be $82.1 million in fiscal year 1981, a decrease of $5.0 million from 1980. The fiscal year 1982 program cost estimated to be $77.8 million, for a decrease of $4.3 million from fiscal year 1981.

Budget authority is made available to the fund automatically each year by virtue of standing legislation and without further action by the Congress.

Changes from Original 1981 Budget Estimates

	FY 1981		
	Budget Estimate	Current Estimate	Increase(+) Decrease(-)
		(dollars in thousands)	
Major Activities or Programs:			
Death Claims	$42,000	$42,500	$+500
Dividends	$23,383	$26,200	$+2,817
Policy Loans	$4,524	$5,880	$+1,356
All Other	$6,580	$7,520	$+940
Obligations/Costs	$76,487	$82,100	$+5,613
Offsetting Collections	$-11,290	$-15,135	$+3,845
Appropriation (perm., indef.)	$34,304	$34,000	$-304
Outlays	$63,600	$66,700	$+3,100
Insurance in Force:			
Number of Policies	85,350	91,700	+6,350
Amount	$347,972	$371,600	$+23,628

The revised estimates reflect the most recent actuarial outlook of program activities that occurred during fiscal year 1980.

The $5.6 million increase in obligations is due to an increase of $1.4 million in policy loans and $2.8 million in dividends.

The $304,000 decrease in the appropriation requirements is due to decreases in policies in force from FY 1980.

The $3.8 million increase in offsetting collections is primarily due to an increase in optional income settlements of $310,000, a $2.8 million increase in policy loan repayments and a $800,000 increase in other income; mostly from premium receipts and interest on investments.

Analysis of increases and Decreases

	FY 1981 Current Est.	FY 1982 Estimate
	(dollars in thousands)	
Prior Year Outlays	$76,683	$66,700
Increases (+) and Decreases (-):		
Death and Disability Claims	-1,553	-1,600
Cash Surrenders and Matured Endowments	-606	-400
Dividends	-2,736	-2,200
Policy Loans and Liens	-105	-100
Change in Obligated Balance and Other Adjustments	-4,983	+100
Estimated outlays	$66,700	$62,500

Explanation of Changes

- Based on a declining number of policyholders, a decrease in outlays through reduced disbursements for death and disability claims is forecast for each of the next two years.
- In FY 1981 and FY 1982, cash surrender and matured endowment payments are expected to continue their downward trend.
- Dividends are primarily due to declining interest earnings on investments in securities.
- Policy loans and liens activity should decline slightly due to the attrition of policyholders as a result of advancing age.

Summary of Requirements

	1980 Actual	1981 Budget Estimate	1981 Current Estimate	1982 Estimate	Increase (+) Decrease (-)
		(dollars in thousands)			
Obligations:					
Death claims	$43,793	$42,000	$42,500	$41,000	$-1,500
Dividends	28,936	23,383	26,200	24,000	-2,200
Cash surrenders	2,704	1,513	2,300	2,000	-300
Disability claims	3,560	3,595	3,300	3,200	-100
Matured endowments	602	222	400	300	-100
Interest on Dividends	1,474	1,220	1,490	1,490	...
Policy loans made	5,983	4,524	5,880	5,780	-100
Policy liens established	22	25	20	20	...
Other	12	5	10	10	...
Total	$87,086	$76,487	$82,100	$77,800	$-4,300
Offsetting Collections:					
Repayment of Policy Loans	$-7,104	$-6,500	$-9,300	$-9,800	$+500
Repayment of Policy Liens	-20	-80	-15	-15	...
Optional Income Settlements	-2,118	-3,270	-3,580	-3,380	-200
Net income offsets and adjustments	-2,205	-1,440	-2,240	-1,955	-285
Total	$-11,447	$-11,290	$-15,135	$-15,150	$+15

Summary of Requirements

	1980 Actual	1981 Budget Estimate	1981 Current Estimate	1982 Estimate	Increase (+) Decrease (-)
	(dollars in thousands)				
Budget Authority (Cash Income)					
Premium payments	$5,202	$3,779	$3,362	$3,067	$-295
Interest on Securities	32,740	30,490	30,613	28,509	-2,104
Payment from General and Special Funds	26	35	25	24	-1
Total Cash Income	$37,968	$34,304	$34,000	$31,600	$-2,400
Workloads:					
Death claims paid	9,160	8,760	8,910	8,655	-255
Cash surrenders	716	490	630	550	-80
Disability claims	25	42	35	34	-1
Matured endowments	84	40	37	22	-15
Policy loans	1,505	1,063	1,629	1,755	+126
Policy liens	490	380	482	472	-45

Explanation of Changes

- A downward trend in death claims is anticipated for 1981 and 1982.
- The decline in dividends and cash surrenders is attributable to fewer policyholders.
- The decrease in disability claims is due to the decline in the number of policyholders.
- A total of 37 policies are due for maturity in 1981, a decrease of 47 from 1980, and an additional 22 are expected to mature during fiscal year 1982.
- The projected decrease in premiums is attributable to the decline in the number of policies in force.
- The decrease in interest on securities in 1982 from 1981 is attributable to the redemption of securities in 1982.

Program Description

The U.S. Government Life Insurance fund was established in 1919 (72 Stat. 1161) to receive premiums and pay claims on insurance converted from the War Risk Term Insurance of World War I. A total of approximately 1,150,000 policies were issued under the program. The issuance of new policies ended in 1951.

Program Activity

During fiscal year 1980, payments from this fund to beneficiaries and living policyholders totaled about $81.1 million. The aggregate total of payments made since the inception of the program now exceeds $4.0 billion. The insurance policies in force are decreasing at an accelerating pace, now in the proximity of 8.2% per year.

Operating Results and Financial Condition

The following table summarizes the current and estimated financial condition of the fund:

	FY 1979 Actual	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate
		(dollars in thousands)		
Total Assets	$518,910	$478,515	$445,073	$411,354
Current Liabilities	$25,938	$26,825	$26,251	$26,317
Long Term Liabilities	$480,971	$442,240	$409,868	$377,174
Retained Earnings	$12,001	$9,450	$8,954	$7,863

Investments in U.S. Securities amounting to $424,522,000 as of September 30, 1980 constitute about 88.7% of the total assets. About $59.6 million in securities will have to be redeemed in 1981 and 1982 in order to meet current expenses. Policy loans constitute most of the remaining assets. Loans made after January 10, 1971 bear a 5% interest rate; earlier loans are 4%. Liens at the present time bear the same interest rate as loans.

As of September 30, 1980, current liabilities are comprised mostly of the following:

(a) Dividends due the insured but left on credit or deposit. These constitute about 76.0% of the total. They bear interest for the insured and are a safeguard in case of premium shortages.

(b) Matured contracts payable representing amounts due policyholders and beneficiaries on matured contracts pending issuance of awards. These constitute about 12.7% of the total.

(c) Unearned premiums which are premiums paid in advance of the end of the reporting period. These amount to about 5.2% of the total current liabilities.

Long term liabilities (operating reserves) are amounts determined on an actuarial basis and placed in reserve to assure payment of future benefits.

Retained earnings are the cumulative earnings in excess of those set aside as operating reserves. They provide an additional safety margin against adverse contingencies.

Object Classification

The following table summarizes obligations of the fund by object classification:

	1980 Actual	1981 Estimate	1982 Estimate
	(dollars in thousands)		
Investments and loans	$6,005	$5,900	$5,800
Insurance claims and indemnities	50,671	48,510	46,510
Dividends and Interest	30,410	27,690	25,490
Total	$87,086	$82,100	$77,800

VETERANS SPECIAL LIFE INSURANCE FUND
APPROPRIATION LANGUAGE

During [1981] 1982, within the resources available, gross obligations for direct loans are authorized in such amounts as may be necessary to carry out the purpose of the "Veterans special life insurance fund" (38 U.S.C. Chapter 19), (Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981).

FUND HIGHLIGHTS

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase (+) Decrease (-)
		(dollars in thousands)		
Major Activities				
Death Claims	$ 19,884	$ 20,100	$ 21,000	$ +900
Dividends	$ 31,382	$ 32,000	$ 35,600	$ +3,600
Policy Loans	$ 18,271	$ ~~18,390~~	$ ~~18,490~~	$ ~~+100~~
All Other	$ 9,924	$ 10,310	$ 11,610	$ +1,300
Obligations/costs	$ 79,461	$ ~~80,800~~	$ ~~86,700~~	$ ~~+5,900~~
Offsetting Collections	$ -119,235	$ -124,031	$ -132,345	$ +8,314
Outlays	$ -44,317	$ ~~45,000~~ -50,700	$ ~~45,700~~ -51,500	$ ~~+700~~ +800
Insurance in force:				
Number of policies	532,989	519,500	501,800	-17,700
Amount	$4,640,705	$4,574,900	$4,430,700	$-144,200

SUMMARY OF BUDGET REQUEST

Program requirements of the Veterans Special Life Insurance fund are estimated to be ~~$80.8~~ million in fiscal year 1981, ~~an increase of $1.3~~ million ~~over~~ fiscal year 1980. The fiscal year 1982 program cost is estimated to be ~~$86.7~~ million or ~~$6.0~~ million more than fiscal year 1981. In FY 1982, death claims will increase $900 thousand due to the increasing age of the policyholders. Dividends will increase $3.6 million as a result of greater earnings on investments. "All other" will rise ~~$1.4~~ million primarily due to a $1.0 million increase in matured endowments.

Operating costs projected for the current and budget years are well below anticipated fund revenue, consisting mainly of premiums, loan repayments, and interest on investments, thereby producing an annual increase in the unobligated fund balance.

No action by the Congress is requested.

CHANGES FROM ORIGINAL 1981 BUDGET ESTIMATES

	1981 Budget Estimate	1981 Current Estimate	Increase (+) Decrease (-)
		(dollars in thousands)	
Major Activities:			
Death Claims	$ 22,500	$ 20,100	$ -2,400
Dividends	$ 28,000	$ 32,000	$ +4,000
All Other	$ 22,498	$ ~~28,700~~ 23,000	$ ~~+6,202~~ +502
Obligations/Costs	$ 72,998	$ ~~80,800~~ 75,100	$ ~~+7,802~~ +2,102
Offsetting Collections	$ -116,499	$ -124,031	$ +7,532
Outlays	$ -47,000	$ ~~-45,000~~ -50,700	$ ~~+2,000~~ +3,700
Insurance in force			
Number of policies	529,500	519,500	-10,000
Amount	$4,604,002	$4,574,900	$-29,102

The revised estimates reflect the most recent actuarial outlook of program activities that occurred during FY 1980.

Operating costs are currently estimated at ~~$80.8~~ million. This is ~~$7.8~~ million higher than the original 1981 estimate of $73 million. These revisions are due to a projected higher dividend payments ($4 million) ~~and policy loans ($8 million) granted. The~~ and a revised estimated decline in death claims ~~reduced our cost estimates by~~ ($2.4 million).

Analysis of Increases and Decreases

	FY 1981 Curent Estimate	FY 1982 Estimate
	(dollars in thousands)	
Prior Years Outlays	$-44,317	~~$-45,008~~
Increases (+) and Decreases (-)		
Death and disability claims	+637	+1,100
Cash surrenders and matured endowments	-11	+ 900
Dividends	+618	+3,600
Interest paid on dividend deposits	-34	+ 200
Interest on U. S. securities	-2,636	-5,114
Interest on policy loans	-332	+300
Premiums earned	-1,984	-3,000
Policy loans and liens	+262	+200
Change in obligated balance	+2,774	+1,714
Other income (optional settlement)	+23	...
Estimated outlays	~~$-45,000~~	~~$-45,700~~

Explanation of Changes

- In fiscal year 1981, death claims averaging $7,428 will be paid on an increase of 126 deaths; for 1982 we anticipate an additional increase of 118 claims.
- The $3.6 million increase in dividends during 1982 reflects the impact of increases in policy reserves and conversions from term.
- Dividends held as a credit or on deposit draw interest at 6.25% annually. In January 1981 the rate will increase to 6.50%.
- Interest rates on current investments in U.S. Securities range from 4.250% to 9.875%. There is an expected increase in interest earnings over the next two years of additional investments of $44.3 million in 1981 and $45.3 million in 1982. Interest from policy loans will increase in each of the next two years in line with the projected increase in loan balances outstanding.
- Premiums earned are expected to increase by $2 million in 1981 and $3 million in 1982.
- Policy loans and liens will increase by $262 thousand in 1981 and increase by $200 thousand in 1982 due to an increase in net lending (excess of loans made over repayments) in 1981 and 1982.

Summary of Requirements

	FY 1980 Actual	FY 1981 Budget Estimate	FY 1981 Current Estimate	FY 1982 Estimate	Increase (+) Decrease (-)
		(dollars in thousands)			
Costs/Obligations					
Death claims	$19,884	$22,500	$20,100	$21,000	$+900
Dividends	31,382	28,000	32,000	35,600	+3,600
Cash surrenders	5,076	3,213	4,800	4,700	-100
Disability claims	1,579	1,965	2,000	2,200	+200
Matured endowments	2,235	5,799	2,500	3,500	+1,000
Interest on Dividends	1,022	1,085	988	1,188	+200
Policy loans	18,271	10,407	18,400	18,500	+100
Policy Liens	10	13	10	10	...
Other	2	16	2	2	...
Total	$79,461	$72,998	$80,800	$86,700	$5,900
Offsetting Collections					
Premiums earned	$-64,016	$-59,608	$-66,000	$-69,000	$+3,000
Int. on securities	-43,695	-46,681	-46,331	-51,445	+5,114
Policy loans & liens repaid	-7,333	-6,076	-7,215	-7,100	-115
Interst on investments	-2,968	-2,900	-3,285	-3,600	+315
Other income	-1,223	-1,234	-1,200	-1,200	...
Total offsetting collections	$-119,235	$-116,499	$-124,031	$-132,345	$+8,314
Workloads:					
Death claims	2,580	2,840	2,706	2,824	+118
Cash surrenders	1,283	1,060	1,070	900	-170
Disability claims	251	315	262	274	+12
Matured endowments	376	240	225	600	+375
Policy loans	7,580	5,735	6,600	6,563	-37
Policy liens	270	214	280	282	+2

Explanation of Changes

- Death claim payments to surviving beneficiaries are expected to follow an upward trend for to the rising death rate of the insureds. The number of new claims in 1981 is expected to exceed 1980 by 126. An additional 118 claims are anticipated in 1982.
- Projected increases in dividends for 1981 and 1982 are attributable to the higher interest yield on investments which contribute to the net earnings growth of the fund.
- A decrease in cash surrenders of $276,000 is projected for 1981 and a decrease of $100,000 is projected for 1982.
- Disability claims are increasing. This trend is expected to continue concurrent with the average age of the insured which is now 48.
- The 1982 increase in matured endowments is based on an increase in the number of policies attaining maturity.
- Premiums earned are expected to increase $2 million in 1981 and $3 million in 1982. The increases in 1981 and 1982 anticipate a higher number of term insurance renewals becoming due. The use of dividends for purchase of paid up additional insurance coverage also contributes to the higher premium income.

Program Description

This fund finances the payment of claims on participating insurance policies issued before January 1, 1957, to veterans who served in the Armed Forces subsequent to April 1951 (38 U.S.C., Sec.732). Policyholders were given the right (72 Stat. 1716) to convert to a permanent plan of insurance or to a new form of term insurance which may not be renewed beyond age 50 but which costs less than the unlimited term insurance. Policyholders under all plans of Veterans Special Life Insurance may purchase total disability income coverage with the payment of an additional premium.

Program Activity

During fiscal year 1980, payments from this fund to beneficiaries and living policyholders totaled approximately $61.1 million. The aggregate total of payments made since the inception of the program now exceeds $492.7 million.

Operating results and financial condition

The following table summarizes the current and estimated financial condition of the fund:

	1980 Actual	1981 Estimate	1982 Estimate
	(dollars in thousands)		
Assets:			
Fund balance with Treasury	$ 1,416	$ 2,180	$ 2,589
U.S. Securities (par)	665,031	709,282	754,573
Accounts receivable (net)	13,275	17,604	22,217
Policy loans	68,551	79,751	91,151
Policy liens	25	10	10
Total assets	$ 748,298	$ 808,827	$ 870,540
Liabilities:			
Accounts payable including funded accrued liabilities	$ 21,781	$ 23,400	$ 28,000
Deferred credits	15,556	20,050	20,118
Operating reserves:			
Policy reserves	545,196	574,932	610,501
Premium waiver disability reserves	74,671	82,476	85,747
Reserve for future installements on matured contracts	7,734	7,705	7,716
Reserve for dividends	33,000	33,959	36,223
Total disability income reserves	32,251	37,225	41,864
	$ 730,189	$ 779,747	$ 830,169
Trust equity:			
Unexpended balances:			
Unobligated balance	$ 642,885	$ 685,616	$ 731,261
Invested capital	-624,276	-656,536	-690,890
Total trust equity	$ 18,109	$ 29,080	$ 40,371

Analysis of changes in trust equity:	1980 Actual	1981 Estimate	1982 Estimate
		(dollars in thousands)	
Retained income:			
Opening balance	$17,047	$18,109	$29,080
Transactions: Net operating income or loss (-)	1,062	10,971	11,291
Closing balance-total trust equity (end of year)	$18,109	$29,080	$40,371

A reasonable amount of cash income is held in the cash account for current expenses with the remaining funds invested in interest bearing U.S. Securities. These investments, $665 million in 1980, constitute 88.9% of the total assets. There should be sufficient capital in 1981 and 1982 to increase these investments by $89.5 million. The outstanding policy loans are expected to increase by about $22.6 million in the next two years. Loans made after January 18, 1971 bear a 5% interest rate; earlier loans are at 4%. Liens at the present time bear the same interest as loans.

Dividend credits/deposits and premiums paid in advance of the reporting period constitute 41.7% of the total current liabilities. The remaining 58.3% is comprised of miscellaneous accounts payable.

Favorable mortality and investment experience on insurance written in this fund has usually kept operating costs well below the amount of revenue, thereby producing an annual increase in the trust equity of the fund. In 1980, there was a net operating income of $1.1 million. Profits of $11 million and $ 1.3 are projected for 1981 and 1982, respectively.

The following table summarizes the actual and estimated revenue and expenses of the fund:

	1980 Actual	1981 Estimate	1982 Estimate
		(dollars in thousands)	
Revenue			
Funded			
Interest on securities	$43,695	$ 46,331	$51,445
Interest on investments (policy loans)	2,968	3,285	3,600
Premiums earned (collected)	64,016	66,000	69,000
Other income	1,223	1,200	1,200
Unfunded			
Premiums earned (waived)	1,258	1,448	1,633
Total	$113,160	$118,264	$126,878
Expense			
Funded			
Death claims	$ 19,884	$20,100	$ 21,000
Cash surrenders	5,076	4,800	4,700
Dividends	31,382	32,000	35,600
All Other	4,838	5,500	6,900
Unfunded			
Premiums waived	1,258	1,448	1,633
Increase in operating reserves	49,660	43,445	45,754
Total	112,098	107,293	115,587
Net operating income or loss (-)	$ 1,062	$ 10,971	$ 11,291

The following table summarizes the actual and estimated obligations of the fund by object classification:

Investments and loans	$ 18,281	$ 18,410	$ 18,510
Insurances claims and indemnities	28,776	29,402	31,402
Dividends and interest	32,404	32,988	36,788
Total obligations	$ 79,461	$ 80,800	$ 86,700

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VETERANS ADMINISTRATION

FISCAL YEAR 1982 BUDGET ESTIMATES

VOLUME II MEDICAL AND CONSTRUCTION APPROPRIATIONS AND FUNDS

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DEPARTMENT OF MEDICINE AND SURGERY - SUMMARY

INTRODUCTION

The Veterans Administration is charged with providing medical care and treatment to all eligible beneficiaries. The functional arm of the VA that administers and operates this medical care delivery system is the Department of Medicine and Surgery (DM&S) which was established in 1946. DM&S is headed by a Chief Medical Director who is responsible to the Administrator of Veterans Affairs for all agency medical programs. DM&S operates the largest medical care delivery system in the United States. In fiscal year 1980, DM&S accounted for nearly 89% of the total agency employment, with only 29% of the total agency appropriation.

The departmental appropriation structure is outlined below:

Appropriation Accounts:

1. Medical Care (Annual Appropriation): Provides for maintenance and operation of Veterans Administration hospital facilities, domiciliaries, nursing bed care facilities, and outpatient clinics; care of beneficiaries in contract hospital and nursing home facilities not under juriadiction of the Veterans Administration; aid to State or Territorial homes for support of veterans eligible for care by the Veterans Administration; and an education and training program to enhance the quality of care provided to eligible veterans within the VA health care delivery system.

2. Medical and Prosthetic Research (Two-Year Appropriation): Provides for a program of Medical Research, a program of Rehabilitative testing and development to support the Medical Care program, a cooperative program for Cancer Chemotherapy Research conducted in joint cooperation with the National Cancer Institute, and a program of Health Services Research to improve the delivery of health care services to all beneficiaries.

3. Medical Administration and Miscellaneous Operating Expenses (Annual Appropriation): Provides for the administration by a Central Office Staff of all medical programs of the Veterans Administration including a program of Postgraduate and Inservice training to support the Medical Care programs, and an Exchange of Medical Information program between the Veterans Administration and other elements of the nation-wide medical-scientific community.

4. Assistance for Health Manpower Training Institutions (Multi-Year Appropriation): Provides assistance for five new State medical schools, to existing medical schools affiliated with the Veterans Administration and to other health manpower training institutions; for development of cooperative arrangements between institutions of higher education, hospitals, and other nonprofit health service institutions affiliated with the Veterans Administration to coordinate, improve, and expand the training of professional and associated health and paramedical personnel; and for development and evaluation of new health careers, interdisciplinary approaches, and career advancement opportunities.

5. Grants to the Republic of the Philippines (Annual Appropriation): Provides grants to the Republic of the Philippines for medical care and treatment of eligible veterans of the Philippine Commonwealth Army and new Philippine Scouts, for health manpower education, and for asset improvements.

6. Grants for Construction of State Extended Care Facilities (Multi-Year Appropriation): Provides grants to assist the States in the construction of State facilities for furnishing nursing home and domiciliary care to veterans; and also provides grants to assist the States in remodeling, modifying or altering existing hospital, nursing home or domiciliary facilities in State homes providing care and treatment for veterans.

Revolving/Trust Accounts:

1. Canteen Service Revolving Fund: This fund finances the operation of canteens of all VA medical centers. These activities are under the management of the Veterans Canteen Service, established by Congress in 1946. Income from sales has made this a self-sustaining activity with any excess profits paid to the U.S. Treasury.

2. General Post Fund: This fund consists of gifts, bequests, and proceeds from the sale of property left in the care of the VA medical centers by former beneficiaries or the general public, patient's fund balances, and proceeds from the sale of effects of beneficiaries who die leaving no heirs or without having otherwise disposed of their estates. Such funds are used to promote the comfort and welfare of veterans at hospitals and homes where no general appropriation is available for this purpose, or where the items desired are sufficiently low on the priority list as would preclude their being provided from appropriated funds on a timely basis.

3. Special Therapeutic and Rehabilitation Activities Fund: This revolving fund, established pursuant to the Veterans Omnibus Health Care Act of 1976, Public Law 94-581, approved October 21, 1976, provides a mechanism for the furnishing of rehabilitative services to certain veteran beneficiaries who are receiving medical care and treatment from the Veterans Administration.

Funds to operate the various rehabilitative activities and provide for the therapeutic work for remuneration for patients and members in Veterans Administration medical centers are derived from contractual arrangements with private industry or non-profit entities. This is a self-sustaining fund and therefore no appropriation is required to support these activities.

4. Construction and Operation of Garage and Parking Facilities: This revolving fund, established pursuant to the Veterans Health Care Amendments of 1979, Public Law 96-22, approved June 13, 1979, provides a mechanism for collecting funds to operate the various parking activities and provide for remuneration to the Veterans Administration. Funds are derived by charging employees a fee for parking at Veterans Administration facilities.

Appropriation	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
		(dollars in thousands)			
Medical Care	$5,832,039	$6,365,185	$6,325,958	$7,004,945	$6,674,891
Medical and Prosthetic Research:					
Medical Research	115,388	127,680	126,290	140,523	132,535
Rehabilitative Research	7,306	9,140	8,713	10,185	9,421
Health Services Research	3,153	3,250	3,245	4,673	3,743
Sub-Total	125,847	140,070	138,248	155,381	145,699
Medical Administration & Miscellaneous Operating Expenses:					
Medical Administration	35,674	42,017	41,335	50,698	46,923
Postgraduate & In-service Training	10,031	10,750	9,924	12,324	10,702
Exchange of Medical Information	2,500	1,550	1,550	1,550	775
Sub-Total	48,205	54,317	52,809	64,572	58,400
Grants for Construction of State Extended Care Facilities	7,500	15,000	15,000	18,000	18,000
Grants to the Republic of the Philippines	1,350	1,200	1,200	...	...
Assistance for Health Manpower Training Institutions	...	...	...	...	...
Construction and Operation of Garage and Parking Facilities	...	...	...	4,692	4,692
Sub-total	6,014,941	6,575,772	6,533,215	7,247,590	6,901,682
General Post Fund (Trust)	7,414	7,500	7,500	7,800	7,800
Total	6,022,355	6,583,272	6,540,715	7,255,390	6,909,482

1981 Supplementals - (included above)	Pay Raise	Program	Total
Medical Care	$225,978 1/	$ 79,967	$305,945
Research	6,095	...	6,095
MAMOE	1,591	...	1,591
Total	233,664	79,967	313,631

1/ Includes $31,162,000 for Wage Board.

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FY 1981 Changes

Appropriation/Fund	1981 January Request	Presidential Action	Revised Request
	(dollars in thousands)		
Medical Care.....	$6,365,185	$ - 39,227	$6,325,958
Medical and Prosthetic Research...	140,070	- 1,822	138,248
Medical Administration and Miscellaneous Operating Expenses....	54,317	- 1,508	52,809
Grants for Construction of State Extended Care Facilities.....	15,000	...	15,000
Grants to the Republic of the Philippines....	1,200	...	1,200
General Post Fund (Trust).....	-7,500	...	7,500
Total.....	6,583,272	- 42,557	6,540,715

In accordance with OMB Circular A-10 dated November 12, 1976, the [illegible] future of VA budget [illegible] disclosed [illegible]

Appropriation	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
		(dollars in thousands)			
Medical Care...	$5,981,288	$6,306,073	$6,265,646	$6,983,227	$6,653,173
Medical and Prosthetic Res.	132,281	139,816	137,994	155,381	145,699
Medical Administration & Misc. Operating Expenses.....	50,052	54,267	52,759	64,572	58,400
Grants for Construction of State Extended Care Facilities.	14,223	5,905	5,905	9,153	9,153
Grants to the Republic of the Philippines.....	1,330	1,200	1,200	320	320
Assistance for Health Manpower Training Inst..	42,406	49,529	49,529	22,005	22,005
Canteen Service Revolving Fund..	- 887	- 143	- 843	- 1,550	- 3,650
Special Therapeutic and Rehabilitation Activities Fund...	- 191	- 255	- 255	- 257	- 257
Construction and Operation of Garage and Parking Facs.	- 122	- 160	- 160	- 4,692	- 4,692
General Post Fund.	6,185	6,800	6,800	7,100	7,100
Total.....	6,518,575	6,563,032	6,518,575	7,244,643	6,887,251

In accordance with Office of Management and Budget Circular A-10 dated [illegible], the following information is released to the public. It may not be duplicated, reproduced, or distributed in any form or manner whatsoever without the express written permission of the President's Committee for Traffic Safety.

Pay Raise Supplementals - (included above)

Medical Care.....	217,521 1/	8,457
Research.....	5,841	254
MAMOE.....	1,541	50
Total.....	224,903	8,761

1/ Includes $31,162,000 for Wage Board.

Program Supplementals - (included above)

Medical Care.....	79,967	...

SUMMARY OF APPROPRIATION/FUND REQUIREMENTS
Average Employment

Appropriation/Fund	FTP	All Other	Sub-Total Ceiling	Non-Ceiling	Common Svc	Total
FY 1980 Actual:						
Medical Care.....	161,647	21,741	183,388	1,666	644	185,698
Medical & Prosthetic Research.....	2,351	2,001	4,352	8	...	4,360
Medical Administration & Miscellaneous Operating Expenses.	696	105	801	30	...	831
Canteen Service Revolving Fund.....	2,809	621	3,430	12	...	3,442
Total.....	167,503	24,468	191,971	1,716	644	194,331
FY 1981 Estimate:						
Medical Care.....	~~165,007~~ 164,207	~~19,381~~ 18,981	~~184,488~~ 183,188	1,401	623	~~186,492~~ 185,212
Medical & Prosthetic Research.....	~~3,328~~ 3,153	1,401	~~4,428~~ 4,354	15	...	~~4,443~~ 4,369
Medical Administration & Miscellaneous Operating Expenses.....	~~943~~ 887	~~101~~	~~843~~ 828	11	...	~~954~~ 839
Canteen Service Revolving Fund.....	2,962	612	~~3,574~~ 3,512	30	...	~~3,604~~ 3,544
Total.....	~~171,317~~	~~21,995~~	~~193,312~~	1,457	623	~~196,392~~
FY 1982 Estimate:						
Medical Care.....	~~165,345~~ 168,164	~~19,541~~ 18,541	~~184,886~~ 179,705	1,401	623	~~186,910~~ 181,729
Medical & Prosthetic Research.....	~~2,488~~ 2,380	~~2,098~~ 1,898	~~4,586~~ 4,278	15	...	~~4,601~~ 4,293
Medical Administration & Miscellaneous Operating Expenses.....	~~910~~ 768	~~101~~ 87	~~911~~ 855	11	...	~~928~~ 866
Canteen Service Revolving Fund.....	2,962	612	~~3,574~~ 3334	30	...	~~3,604~~ 3,364
Total.....	~~171,611~~	~~22,352~~	~~193,963~~	1,457	623	~~196,043~~

Material submitted by the President.

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VETERANS ADMINISTRATION

Department of Medicine & Surgery

Automated Data Processing Summary

The Computerized Medical Systems Office (CMSO) is responsible for:

* the implementation of a total Health Care Information System in accordance with recommendation #37 of the National Academy of Sciences' "Study of Health Care of the American Veteran."

* the maintenance of more than fifty existing systems of the Department of Medicine and Surgery in both Field Stations and Central Office which support the programs related to Medical Care, Research and Development, and Central Office operations.

* the development and implementation of interim ADP solutions to alleviate immediate and critical problems related to direct patient care, patient support and administration.

Presently, the Health Care Information System is proceeding in accordance with the guidelines set forth in OMB Circular A-109. Basic requirements for the major system acquisitions are determined by consultative studies and the development of functional specifications by both VA and private-sector firms. Module and user specifications resulting from these studies will be used as input to parallel contracts related to alternative systems development. CMSO supports the maintenance and enhancement of more than 50 on-going ADP applications. In addition, over 50 applications are in the planning or requested stage of development. The large number of on-going, planned and requested projects illustrates both the demand of field medical facilities and Central Office user elements and the critical need for ADP support to accomplish the mission of patient care and administration.

	1980	1981		1982	
	Actual	January	Revised	January	Revised
Average Employment.....	445	473	473	509	481
Costs (in thousands)					
Personal Services.....	$ 7,374	$ 8,629	$ 8,629	$10,205	$ 9,314
Employee Travel.....	140	141	141	401	401
ADP Equipment Rentals.....	688	840	840	1,024	959
Services:					
Commercial Services.....	2,584	4,382	4,382	6,829	6,397
Interagency Services.....	253	365	365	495	365
Intra-agency Services....	10,293	11,086	11,086	12,123	12,123
Other Services.....	...	292	292	307	307
Space and Other Operating Costs.....	15	320	320	470	369
Capital Investment.....	2,183	3,848	3,038	3,792	1,830
Site Preparations.....	31	552	424	120	120
TOTAL.....	23,561	30,495	29,512	35,766	32,185

ADP Resources

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
Average Employment.....	360	378	378	382	380
Costs (in thousands):					
Personal Services.....	$ 5,108	$ 5,682	$ 5,682	$ 5,993	$ 5,900
Employee Travel.....	91	95	95	216	216
ADP Equipment Rentals.....	553	700	700	869	809
Services:					
Commercial Services.....	1,888	2,628	2,628	3,034	3,034
Interagency Services....	90	100	100	400	100
Intra-agency Services...	10,293	13,086	11,086	12,123	12,123
Other Services.....	...	7	7	7	7
Space and Other Operating Costs.....	15	268	268	418	317
Capital Investment.....	1,283	2,208	1,736	2,142	180
Site Preparations.....	31	432	304	...	...
Total.....	19,352	23,206	22,606	24,842	22,686

In connection with OMB Circular the budget as it is displayed during Congressional review.

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
Average Employment.....	45	55	55	87	61
Costs (in thousands):					
Personal Services.....	$1,226	$1,817	$1,817	$2,132	$2,274
Employee Travel.....	49	46	46	185	185
ADP Equipment Rentals.....	19	40	40	45	40
Services:					
Commercial Services.....	416	1,383	1,383	3,415	2,983
Interagency Services.....	121	175	175	305	175
Space and Other Operating Costs.....		2	2	2	2
Capital Investment.....	37	400	392	400	400
Total.....	3,868	3,863	3,855	7,484	6,059

In accordance with OMB Circular A-10 (revised), this material is considered confidential and privileged prior to its transmittal to the Congress. After that time, such material may be released to the public unless otherwise restricted, privileged or classified for security purposes.

In 1979 the House Appropriations Committee directed the VA to develop a workable measuring device for use in determining staff sizing and distribution of personnel. ~~A manpower tracking system is being developed to assist DM&S management in allocating and managing hospital staffing. The system as envisioned will provide Regional Directors with current personnel and budget data to monitor hospital performance,~~ workloads and FTEE usage. The ADP cost associated with this tracking ~~system is $135,000: $33,000 for one (1) additional FTEE and $102,000 for commercial timesharing and Interagency Services.~~

The Health Care Information System (HCIS) is to be a Management Information System designed to meet the needs of individual hospitals for contemporary on-line patient care and management information and analysis. Funds for HCIS continuation account for ~~$2,618,000~~ and ~~29~~ 3 FTEE ~~of the $3,621,000~~ and ~~32~~ 6 FTEE increase requested in 1982. These resources will be used to initiate the major systems acquisition process under provisions of OMB Circular A-109. Consultative studies will be initiated in the areas of risk analyses, communication, and acquisition strategy.

The remaining requested increase of $~~419,000~~ 427,000 is primarily related to payroll increases ~~of $279,000 and $140,000~~ for increased costs associated with ADP services.

Medical and Prosthetic Research: The ADP funding and employment support for the research appropriation is necessary to maintain the state-of-the-art for instrumentation involved in data collection and analysis. In order to advance the reliability and speed of data analyses, ADP equipment must be replaced and new equipment purchased for on-going studies and newly initiated programs. Items, data and trends that are easily overlooked or undetected can be and are now tracked by computer systems. The FY 1982 increases are illustrated in the following chart:

Medical and Prosthetic Research
ADP Resources

	1980 Actual	1981 Budget Est.	1981 Current Est.	1982 Est.	Incr. (+) Decr. (-)
Average Employment.....	40	40	40	40	...
Costs (in thousands):					
Personal Services.....	$1,040	$ 960	$1,130	$1,140	$+ 10
ADPE Equipment Rentals.....	116	100	100	110	+ 10
Services:					
Commercial Services.....	280	690	371	380	+ 9
Interagency Services....	42	20	90	90	...
Other Services.....	...	...	285	300	+ 15
Space and Other Operating Costs.....	...	50	50	50	...
Capital Investment.....	863	1,240	~~1,240~~ 905	1,250	+ ~~10~~ 345
Site Preparations.....	...	120	120	120	...
Total.....	2,341	3,180	~~3,306~~ 3,051	3,440	+ ~~54~~ 389

There is ~~an increase~~ a decrease of ~~$206,000~~ 129,000 between the budget estimate and the current estimate for fiscal year 1981. ~~This increase is primarily related to a $170,000 increase in personal services requirements.~~

The ~~$54,000~~ $ 389,000 increase in funding requirements for 1982 is for increased payroll, equipment and contract services costs.

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VETERANS ADMINISTRATION

MEDICAL CARE

APPROPRIATION LANGUAGE

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities; for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Veterans Administration, including care and treatment in facilities not under the jurisdiction of the Veterans Administration, and furnishing recreational facilities, supplies and equipment; funeral, burial and other expenses incidental thereto for beneficiaries receiving care in Veterans Administration facilities; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the Veterans Administration, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; uniforms or allowance therefor, as authorized by law (5 U.S.C. 5901-5902); and aid to State homes as authorized by law (38 U.S.C. 641); [$6,020,013,000] ~~$7,004,345,000~~ $4,674,891,000, plus reimbursements.

No change is proposed in the appropriation language for fiscal year 1982.

Medical Care
Appropriation Highlights

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase (+) Decrease (-)
		(dollars in thousands)		
Major Programs:				
Maintenance & Operation of VA Medical Centers..	$5,705,989	$6,100,490	$6,714,981	$+614,491
Contract Care.....	191,930	215,539	240,299	+ 24,760
Grants for State Home Care.....	37,551	46,859	48,379	+ 1,520
CHAMPVA.....	36,308	47,297	51,478	+ 4,181
Costs.....	5,971,778	6,410,185	7,055,137	+644,952
Appropriation.....	5,832,039	6,365,185	7,004,945	+639,760
Obligations.....	5,857,450	6,410,185	7,055,137	+644,952
Outlays.....	5,981,288	6,306,073	6,983,227	+677,154
Average employment (jurisdictional).....	185,054	185,869	186,287	+ 418

Summary of Budget Request

This budget provides for the medical care and treatment of veterans in VA medical centers with ~~80,418~~ 80,387 census, ~~1,267,054~~ 1,269,001 patients treated, and ~~10,428,000~~ 10,419,263 outpatient visits, Contract facilities with ~~10,356~~ census and ~~57,791~~ 54,210 patients treated, support for State programs with 12,850 census and 27,557 patients treated, and the CHAMPVA program administered through the Department of Defense with 426 census and 136,221 outpatient visits. The increases requested in this budget, outlined below, are the minimum necessary to maintain the delivery of quality medical care to veteran beneficiaries.

Changes from 1981 Amended Budget Estimates

	Budget Estimate	1981 Current Estimate	Increase (+) Decrease (-)
		(dollars in thousands)	
Maintenance and operation of VA Medical Centers.....	$5,706,482	~~$6,100,490~~ $6,061,263	~~$+394,008~~ $+354,781
Contract Care.....	198,114	215,539	+ 17,425
Grants for State Home Care	46,689	46,859	+ 170
CHAMPVA.....	47,297	47,297	...
Costs.....	5,998,582	~~6,410,185~~ 6,370,958	~~+411,603~~ +372,376
Appropriation.....	5,958,582	~~6,365,185~~ 6,325,958	~~+406,603~~ +367,376
Obligations.....	5,998,582	~~6,410,185~~ 6,370,958	~~+411,603~~ +372,376
Outlays.....	5,904,867	~~6,306,073~~ 6,265,646	~~+401,206~~ +360,779
Average employment (jurisdictional).....	184,672	~~185,869~~ 184,589	~~+ 1,197~~ - 83

The changes in original and revised estimate of fiscal year 1981 appropriation requirements can be best analyzed through a tabular display.

		(dollars in thousands)	
1.	Appropriation as amended FY 1981.....	$5,958,582	
	Congressional Increase.....	61,431	
	Appropriation Enacted.....		$6,020,013
2.	October 5,1980 pay raise requirement.....	249,043	
	Wage Board requirements in FY 1981.....	31,162	
	Total increased pay requirement.....	280,205	
	Absorption of increase pay costs in line with OMB Bulletin 81-3.....	- 15,000	
	~~Total pay supplemental~~ OMB Reduction.....	~~265,205~~ 223,978	- 39,227
3.	Supplemental requirements for the implementation of PL 96-330, Veterans Administration Health-Care Program Amendments of 1980....	64,967	
4.	Supplemental requirements for increasing beneficiary travel costs.....	15,000	
5.	Total supplemental request.....		~~345,172~~ 305,945
	Total Appropriation Estimates.....		~~6,365,185~~ 6,325,958

The fiscal year 1981 amended budget estimate of 184,672 Jurisdictional FTEE was ~~increased 1,197~~ decreased 83 to a level of ~~185,869~~. 184,589 ~~Of the 1,197 increase 1,176 was increased by Congress and 21 resulted from an adjustment of common service FTEE.~~ The 83 decrease is the net result of the following activities; a congressional add-on of 11 an OMB reduction of 1280 and an adjustment of 21 common service FTEE.

Analysis of Increases and Decreases

	FY 1981 Current Estimate (dollars in thousands)	FY 1982 Estimate	
Prior year costs.....	$ 5,971,778	~~$6,410,185~~	6,370,958
Budget increases.....	103,612	...	
Congressional Action.....	61,431	...	
Decreased costs resulting from undelivered orders.....	- 114,328	...	
Adjustments for 1980 appropriation reductions (personal service absorption, furniture recission and lapse).....	41,018	...	
Reimbursement increase.....	1,502	5,192	
Pay raise supplemental and annualization.....	~~194,816~~ ~~234,043~~	18,649	
Other payroll increases.....	31,162	106,958	
Other supplementals.....	79,967	...	
Workload ~~increases~~ changes.....	...	~~31,629~~	-151,880
Education and Training.....	...	~~2,101~~	- 1,044
Increased usage.....	...	~~234,368~~	181,568
Capital Investment and M&R.....	...	~~231,651~~	182,758
Specialized Programs.....	...	~~14,404~~	11,974
Estimate.....	~~6,410,185~~ 6,370,958	~~7,055,137~~ 6,725,083	

A cost increase of $~~644,952,000~~ 354,125,000 is anticipated in FY 1982 for:

1) Workload ~~increases~~ net decreases of ~~$36,821,000~~ $146,688,000 ~~including new activations, and non-VA workloads~~ $11,974,000
2) Increase of ~~$14,404,000~~ for Specialized Programs.
3) Decrease of $1,044,000 in Education and Training.
4) Uncontrollable payroll increases of $125,607,000 including within grades and annualization of Wage Board increases.
5) Increased cost ~~and usage~~ of $181,568,000 including supplies and materials and rate changes in non-VA programs.
6) Increased Capital Investment of $182,758,000 including M&R, Minor Improvements and Replacement and Additional Equipment.

These areas are discussed in detail in the following pages.

MEDICAL CARE

Activity Classification

Fiscal year 1982 appropriation requirements are presented in this estimate under the following major activity classifications.

Maintenance and Operation of VA Medical Programs

VA Inpatient Medical Centers

Inpatient Medical Care within the VA health care system is rendered through hospitals, nursing homes and domiciliaries. In VA hospitals, those veterans with general medical ailments are treated in the Medical Bed Sections, veterans requiring surgery are treated in the Surgical Bed Sections, and veterans with problems related to mental illness, including alcohol and drug problems, are treated in the Psychiatric Bed Sections.

The VA Nursing Home Care program is designed for chronically ill veterans who have attained maximum hospital benefits but require skilled or intermediate nursing home care.

The VA Domiciliary Program is directed toward providing medical and comprehensive professional care in a residential-type setting to aging and disabled veterans who need care but neither hospitalization nor skilled or intermediate nursing home services.

Outpatient Care

Outpatient medical and dental care is provided to eligible veteran beneficiaries in each of the Veterans Administration medical centers and independent outpatient clinics. In addition, several VA medical centers operate satellite clinics in areas which are geographically remote from VA medical centers' facilities but where there are significant veteran populations.

The majority of VA's outpatient care is provided by its own professional staff. However, the services of private physicians and dentists are utililzed on a fee basis to provide health care for eligible beneficiaries whenever the necessary VA medical centers are not available.

Miscellaneous Benefits and Services

This activity includes those items of expense not directly connected with the medical care and treatment of beneficiaries such as beneficiary travel, operation of housekeeping and non-housekeeping quarters, and the cost involved with supply, engineering, housekeeping and services furnished to other than DM&S activities (Department of Veterans Benefits (DVB), Office of Data Management and Telecommunications (ODM&T) and other organizations) on a non-reimbursable basis.

Education and Training

The Veterans Administration conducts an education and training program to enhance the quality of care provided to eligible veterans within the VA health care delivery system. These education and training activities improve veterans' care in that: trainees participate in their clinical medical care at the bedside and in clinics; more able health care professionals are attracted where there are learning and teaching opportunities; medical advances are more likely to be applied in a teaching setting; a questioning attitude between trainee and teacher enhances the quality of care; and the manpower produced is beneficial to recruitment in DM&S.

Contract Hospitalization

In addition to those facilities operated directly by the VA, there are other public and private facilities whose services are utilized through contractual arrangements. Hospitalization of VA beneficiaries in other Federal hospitals is provided to insure availablity of medical care in areas where VA medical centers are not available. Also, according to the provisions of Sections 601 and 1506, Title 38 U.S.C., VA beneficiaries are provided care in non-Federal hospitals at VA expense.

State Home Care

Section 641, Title 38 U.S.C., authorizes payment of per diem rates for care in State domiciliaries, State nursing homes and State hospitals for eligible veterans.

Community Nursing Home Program

This program is designed to complement the VA Nursing Home program by providing skilled or intermediate nursing home care for a period not to exceed 6 months to veterans in their home communities as a transition from hospitalization in VA medical centers. Veterans hospitalized primarily for a service-connected disability are exempt from the 6-month limitation.

Civilian Health and Medical Program of the VA

This program provides care for certain dependents as authorized by 38 U.S.C. 613. This authorizes the VA to furnish medical care to the spouse or child of a veteran who has a total and permanent service-connected disability, and the widowed spouse or child of a veteran who (a) died as a result of a service-connected disability, or (b) at the time of death had a total disability permanent in nature, resulting from a service-connected disability.

CHARACTERISTICS OF VA HOSPITAL CARE

In 1968 DM&S operated over 112,000 medical center hospital beds. A study of the medical centers revealed that over 15,000 of these hospital beds were crowded into insufficient space (substandard beds). Over the ensuing 12 years, most of these substandard beds have been eliminated and the operating hospital bed level for VA medical centers at the end of FY 1980 was 82,960. During this same period the number of patients treated in these beds has increased from 762,000 to 1,247,516 per year an increase of over 485,516 or 64 per cent.

The recent development of more stringent patient privacy standards for health care institutions (partitioning of wards, and maximum room capacity limited to 4 beds with prescribed space requirements) and the correction of safety and fire deficiencies (additional exits and fire stairs) has resulted and will continue to result in additional bed losses. Losses will also be associated with necessary modernization and other construction projects.

While the VA has continually treated more patients in fewer beds due to an increasing pace of care in the medical centers, continued projection of this increasing pace of care rests on several intangibles. It is believed that the increased pace of care so far observed is primarily a consequence of the improved staffing experienced by the VA since 1970. Further improvements (decreased length-of-stay) will be dependent upon additional staffing improvement, and expanded alternatives to hospitalization. Although the elimination of operating beds will improve the staff/bed ratio, to the extent these eliminated beds are now unoccupied, there will be no actual increase in staff ratio nor in pace of care.

The need of the veteran patient for bed care differs from that of the private sector. In the private hospital, the patient has typically received medical care preceding the hospital episode and was sent to the hospital for treatment of a specific condition. Upon completion of treatment for that conditon, the patient typically returns to home, family, and job with necessary follow-up medical care being rendered in the community doctor's office.

The majority of VA patients, however, do not follow these steps. They arrive, often self-referred, at the medical centers. Their diagnosis and treatment proceed, usually for several medical problems. When treatment is complete, the post-hospital care problem must be addressed. An additional few days of hospitalization may be considered preferable to having a patient, who lives 50-100 miles from the hospital, return twice for follow-up care in the next 3 days (e.g., to have sutures removed or to check response to a new treatment).

With 56% of VA patients at or below the poverty level of income and lacking an immediate family, outplacement may be compassionately delayed until suitable arrangements can be made for the veteran. If the veteran is sent home for 3-4 days, with plans to return for further hospitalization, he will be sent on a "pass". In the private hospital this sequence would be recorded as two short hospitalizations. In the VA the entire sequence will be recorded as one episode of care and, therefore, a longer length-of-stay.

The aged, disabled, or chronically ill patient, who lacks any alternatives to hospital care, presents a different problem of care for the VA than that typically faced by the acute-care, private hospital. In the private sector, discharge from hospitalization tends to take precedence over the availability, suitability, and economic impact of the patient's and family's alternatives. In the VA, the patient lacking alternatives may be held in chronic care or extended care wards until an appropriate placement - in VA medical centers or at VA expense - can be identified.

The veteran also has been provided legal eligibility or entitlement to many forms of special medical care that are not available, or are not routinely provided, in the private health care system as an integral part of hospital care. Thus, VA medical centers provide the highly specialized care of those who are paralyzed due to spinal cord injury and disease, rehabilitation for the blind, speech training, dental examination and treatment, hearing tests and hearing aids, artificial limbs and training in their use, occupational therapy, family counseling, automobile driver training for the disabled, and other services - all provided the veteran by law.

The needs of the unique veteran population, the VA's responsibility for continuing care in and out of the medical center, and the constellation of services which VA medical centers must provide invalidate most comparisons of the VA health care system with the private, non-VA system.

A prime example of this difference is emphasized by the current concern over excess hospital beds in the nation. For the past 10 years (and more) the number of beds in the private sector has increased. For the past 12 years, in contrast, the number of VA hospital beds has decreased. In spite of this decrease, the VA treated 64% more hospital patients in FY 1980 than it did in FY 1968.

THE VETERAN POPULATION AND THOSE WHO ARE VA PATIENTS

VA medical records for fiscal year 1979 indicate that about 3,000,000 different veterans were VA patients. Of this number, 233,000 received inpatient care only, 2,197,000 received outpatient care only, and 570,000 received both.

These levels of patient load are significantly less than might be expected to be generated by the entire veteran population of 30,072,000 persons, all but 679,000 of whom are males. An examination of the 30 million veterans indicates that four groups may be identified:

Veteran Groups	Thousands of Veterans		
	All Ages	Under Age 65	Age 65 and over
1. Those with service-connected conditions.....	4,050	3,326	724
Those without service-connected conditions who:			
2. Have VA pension.....	874	474	400
3. Are age 65 or over.....	1,633	...	1,633
4. Those who may receive needed care if they cannot defray cost of care	3,785	3,785	...
Total "eligible" (also are below)	10,342	7,585	2,757

For planning purposes, the last group (those who cannot defray the cost of care) includes all veterans with an annual income of $7,000 or less. This is approximately the poverty threshold for a non-farm male head of a family of four according to a Congressional Budget Office background paper issued in 1976. (An allowance for inflation has been added.)

A non-service-connected veteran's decision that he cannot afford the cost of care would be made in each instance of application for medical services. Consequently, depending upon the cost of the particular medical care treatment, a veteran with an income higher than $7,000 might not be able to afford that cost, while one with a lower income could do so. In any case, this indicates that some 10,342,000 or only 34 percent of living veterans are generally eligible for VA sponsored care. The remaining 19,730,000 are non-service-connected veterans under age 65 with incomes in excess of $7,000.

There are expected to be relatively few new veterans added (about 425,000 per year) and those now in the population will advance in age. Whereas there are now only 10 percent age 65 and over, 29 percent of all veterans will be age 65 or over and 13 percent will be 75 or over by the year 2000. The number of patients may be expected to increase since older persons consume relatively more health services than do younger ones.

Also, since 1971 the demand on VA for hospital care by patients aged 65 or more has increased steadily after having decreased from 1966 (when Medicare began) through 1970. At present, the level of use has returned to what it was prior to Medicare.

Another factor influencing the veterans' choice of health care provider is the extent to which they have health insurance. Surveys taken among samples of veterans indicate that among all veterans about 80 percent have some health insurance while 20 percent do not. Among veterans who use VA, only 54 percent have some health insurance and 46 percent do not.

This difference in health insurance coverage among all veterans and among VA health care users suggests that veterans who use VA care are not similar to all veterans. This is borne out by available data. The VA users have lower income, are more often not married, are generally older, are more often disabled, and are more often members of minority groups.

MEDICAL CARE

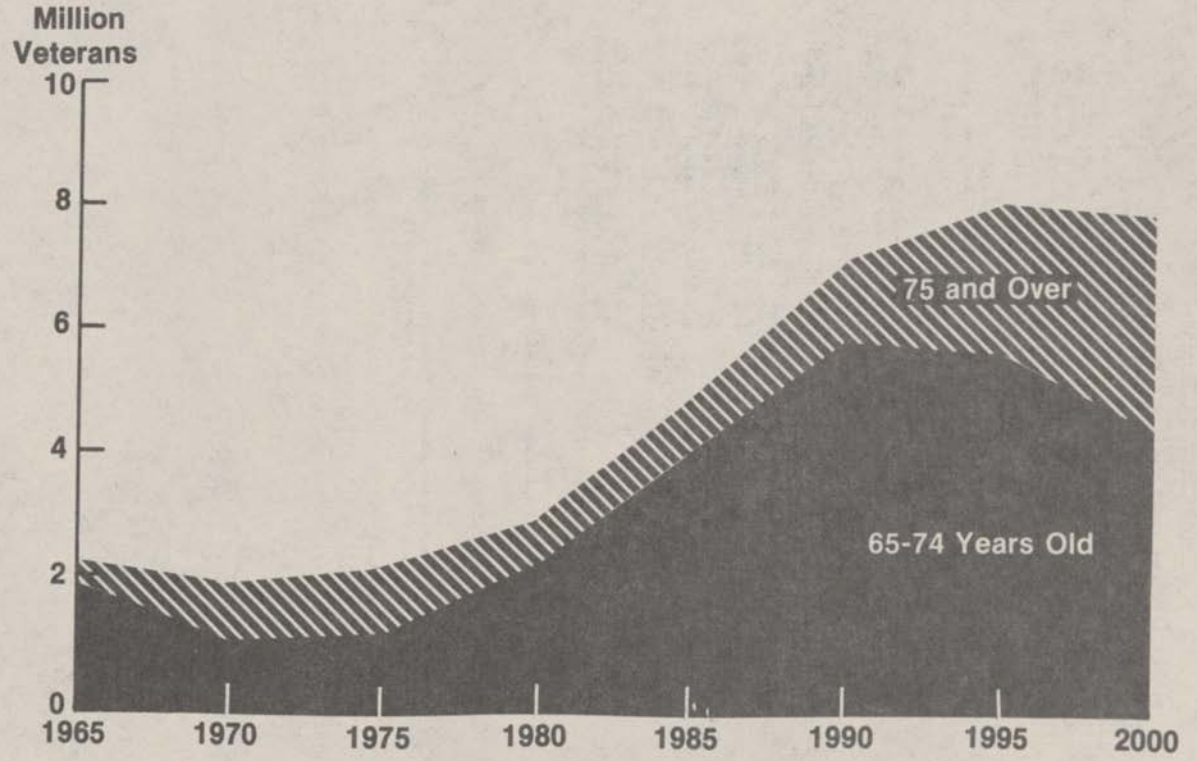
Age of Veteran Population and VA Patients a/

	Average Age	% 65 or Older	% under 65
All Veteran Population.	48	10	90
State Nursing Homes....	74	74	26
State Home Hospitals...	73	72	28
VA Nursing Homes.....	70	61	39
Community Nursing Homes	68	58	42
State Domiciliary Homes	64	45	55
VA Domiciliaries.....	60	31	69
OP Medical - Staff.....	51	16	84
VA Hospitals.....	56	26	74
OP Medical - Fee.....	53	22	78

a/ The "All Veteran" line is September 30, 1980 data. All inpatient care statistics are from the annual one-day census of September 26, 1979. Outpatient statistics are as of September 30, 1979.

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NUMBER OF VETERANS OVER AGE 65



PROGRAM RESOURCE CHANGES, SUMMARY

The Medical Care appropriation provides for expenses necessary for the maintenance and operation of Veterans Administration medical centers consisting of hospitals, nursing homes, domiciliaries and outpatient clinics and the care and treatment of eligible beneficiaries in non-VA hospitals, community nursing and state extended care facilities. In addition, training of medical residents and interns and other professional, paramedical, and administrative personnel in the health-science fields is provided to support the Agency's manpower requirement in these shortage categories.

The FY 1982 increases in budget authority of ~~$639,760,000~~ $348,933,000 and ~~of~~ a decrease of ~~418~~ 3,488 average employment (FTEE) for the Medical Care appropriation is presented in the following sections.

1. Demand for medical services by veteran beneficiaries which is to be met in both existing ~~and new~~ or expanded VAMC's, will require an ~~increase~~ decrease of ~~$31,629,000~~ $151,880,000 and a decrease of ~~54~~ 743 FTEE as follows:

	FTEE	(dollars in thous.)
a. Existing VA Medical Centers..	~~1344~~ -4,850	~~$14,384~~ $-142,730
b. Outpatient Clinic.....	~~99~~ - 4	~~2,994~~ 793
c. Other New Facilities.....	~~390~~ 297	~~19,286~~ 14,693
d. Outpatient Dental Fee.....	...	- 24,541
e. Real Property Rental.....	...	1,993
f. Extended Care Programs.....	~~801~~ 766	~~24,937~~ 6,246
g. CHAMPVA.....	...	- 364
h. Contract Hospitals.....	...	- 6,970
Total	~~54~~ -3,763	~~31,629~~ - 151,880

$11,974,000 372

2. Specialized Programs will require ~~$14,406,000~~ and ~~437~~ FTEE.

A decrease $1,094,000 92

3. ~~An~~ increase of ~~$2,101,000~~ and ~~35~~ FTEE is required for Education and Training.

4. Statutory and uncontrollable payroll increases will require $125,607,000.

5. Increased costs ~~and usage~~ for VA and non-VA programs, direct care and support items will require ~~$234,368,000~~. $181,568,000

6. Capital Investment programs will require an increase of ~~$231,651,000~~. $182,758,000

These categories are presented, in detail, on the following pages.

decrease $151,380,000 37.3

1. An increase of ~~$31,639,000~~ and a ~~decrease of 54~~ FTEE will be required ~~for changing demand~~ for medical services by veteran beneficiaries.

a. Existing VA Medical Centers (Hospital Activity): Decrease ~~Increase~~ of ~~$14,384,000~~ and Decrease of ~~1,344~~ FTEE
$ 142,730,000 4,850

Explanation of the principle components follows:

Medical Center requirements will be reduced $118,946,100 and 3570 FTEE as follows:

— A reduction of $16,332,000 and 680 FTEE from existing hospitals will be necessary to provide resources for all new and expanded programs (see itemization of programs in sections 2 and 3) and for activation of new facilities (see section 1.c.) in fiscal year 1982. The estimates for staffing of existing medical centers in the Budget Year assumes that improvements in employee skills, organization, procedures, and supervision will increase employee productivity and thereby permit accomplishment of existing center workloads with fewer employees.

- Hospital requirements will be reduced by the following program reductions:
  - conversion to the CALM system and is expected to reduce fiscal service requirements by $2,324,000 and 178 FTEE.
  - elimination of the hospital based Home Care program will reduce $4,205,000 and 340 FTEE.
  - elimination of the Readjustment Counseling program will reduce $27,300,000 and 376 FTEE.
- Hospital requirements will be increased by $18,055,000 and decreased by 445 FTEE in fiscal year 1982 as a result of the following realignment of resources:

  - VA Medical Center resources will be increased by $30,065,000 in fiscal year 1982 through the realignment of fee dental and other non-VA programs. These resources of $30,065,000 were temporarily invested in fiscal year 1981 for increased fee dental needs of $24,541,000 (see section 1.d.) and increased non-VA net requirements (Contract Hospital and State Home Domiciliary) of $5,524,000. In fiscal year 1982 these resources will be realigned and reinvested in the VA Medical Centers as originally planned and budgeted.

  - Hospital requirements will be reduced by $12,010,000 and 445 FTEE in fiscal year 1982 and these resources will be used to annualize VA Nursing requirements (see section 1.f.). Nursing Home Care project slippage allowed prior year resources, budgeted for operation of newly constructed VA Nursing Homes, to be temporarily invested in the VA Hospital activity. This reduction recognizes that it is now appropriate to realign resources between these two activities as originally planned and budgeted.

- Transfers to other Department of Medicine and Surgery appropriations from the Medical Care appropriation will decrease hospital activity $6,479,000 and 41 FTEE in fiscal year 1982. Budget Authority of $5,192,000 will be transferred from Medical Care to establish the Construction and Operation of Garage and Parking Facilities revolving fund. $1,287,000 and 41 FTEE will be transferred to the MAMOE appropriation to maintain programs previously supported at the VA Medical Center, Washington, D.C.

- The closing of 60 wards in conjunction with the consolidation of inpatient work load will reduce existing hospital requirements by $27,139,000 and 1,116 FTEE.
- A reduction of 1,612,720 outpatient medical staff visits will reduce medical center resources requirements by $74,975,000 and 1,774 FTEE.

. Annualization of ~~two public laws will require an increase of $21,464,000.~~ PL 96-330, Veterans Administration Health-Care Amendments of 1980, will require an increase of $64,000. ~~Annualization of PL 96-151, Veterans Health Program Extension and Improvement Act of 1979, will require an increase of $21,400,000. Provisions of this law authorize the VA to provide outpatient medical services to World War I veterans.~~

Resource Recap, Item 1.a.

Item	FTEE	(dollars in thousands)	
Existing hospital reduction.....	~~- 680~~ -3,570	~~$-16,332~~	$-118,446
Program reductions Conversion to CALM.....	~~- 178~~ - 794	~~- 2,324~~	- 35,924
Activity realignments.....	- 445	18,055	
Transfers to other appropriations-	41	- 6,479	
Annualization of public laws....	...	~~21,464~~	64
Total.....	~~-1,344~~ -4,850	~~-14,384~~	-142,730

b. New VA Outpatient Clinic Activities: Increases of $ 793,000 ~~$2,994,000~~ and ~~99~~ 24 FTEE

~~Activation of a new outpatient clinic in South Bend, Indiana and the expansion of eight existing clinics in fiscal year 1982 will require increases of $2,994,000 and 99 FTEE. The new outpatient clinic in South Bend, Indiana will require $2,201,000 and 75 FTEE and will provide for 25,000 outpatient visits in fiscal year 1982.~~ The expansion of 8 outpatient clinics will require $793,000 and 24 FTEE and will provide for an additional 6,950 visits in fiscal year 1982.

c. Other New Facilities: Increases of ~~$19,206,000~~ $14,693,000 and ~~390~~ 297 FTEE

An increase of ~~$140,027,000~~ $121,799,000 and ~~845~~ 642 FTEE is required to provide staffing, equipment and support for the activation of all newly constructed DM&S field facilities. These projects have been undertaken with previously approved funding in the Major and Minor Construction appropriations of previous budget submissions. Of the total required, ~~$120,821,000~~ and ~~455~~ 345 FTEE are justified in other sections and ~~$19,206,000~~ $14,693,000 and ~~390~~ 297 FTEE are ~~$106,784,000~~ justified in this section, as follows:

	FTEE	(dollars in thousands)
Total Facility Activation Requirements	~~845~~ 642	~~$140,027~~ $121,799
Justified in other sections:		
Outpatient Clinics - Increased Medical Services Section 1b	~~99~~ 24	~~2,994~~ 793
Nursing Homes - Increased Medical Services including 1981 Nursing Annualizations, Section 1f.	~~356~~ 321	~~9,763~~ 8,835
Capital Investments (Equipment), Section 6B	...	~~108,064~~ 97,158
Other New Facilities (detailed below)	~~390~~ 297	~~19,206~~ 14,693

The ~~$19,206,000~~ $14,693,000 and ~~390~~ 297 FTEE for Other New Facilities are requested to cover Building Management, Engineering and other support, materials and supplies necessary to activate new facilities on a part year basis in fiscal year 1982. Included with this request are requirements needed to annualize fiscal year 1981 activations.

Other New Facilities	Projects	FTEE	(dollars in thousands)
Non-Recurring Maintenance and Repair	190	79	$ 3,736
~~Replacement and Modernization~~	~~4~~	~~89~~	~~4,027~~
Nursing Home Care Units	4	...	~~150~~ 60
Research and Education	4	...	51
Outpatient Clinic Expansion	9	3	~~1,043~~ 844
General Projects	~~12~~ 10	~~10~~ 8	~~558~~ 499
Minor Miscellaneous Construction.	257	55	3,701
Clinical Improvements	~~8~~ 7	37	1,592
Electrical Deficiency Corrections	~~7~~ 5	...	~~65~~ 61
Elevators	2	...	8
Air Conditioning	~~2~~ 1	~~13~~ 11	~~699~~ 565
Annualization of 1981 Other New Facilities		104	3,576
Total Other New Facilities		~~390~~ 297	~~19,206~~ 14,693

d. Outpatient Dental Fee Program: Decrease of $24,541,000

A decrease of 31,009 fee cases will result in a $24,541,000 decrease in fiscal year 1982. Additional fee dental requirements of the Veterans' Health Care Amendments of 1979, PL 96-22 required realignment on a nonrecurring basis of $24,541,000 from the VA hospital activity to the fee dental program in fiscal year 1981. This reduction recognizes the need to realign resources as originally planned and budgeted. Resources requested will support 46,991 cases and any additional cases will be treated by Veterans Administration staff dentists.

e. Real Property Rental: Increase of $1,993,000

An increase of $1,993,000 is requested for additional space requirements for Real Property Rental in fiscal year 1982. New projects requiring $500,000 or more for GSA leased space are as follows:

Fiscal Year	Project	Resources Required
1981	Broward County - Outpatient Clinic	$500,000
1982	Florida - Outpatient Clinic	500,000

f. Extended Care and Programs for the Aging Veteran: Increases of ~~$24,927,000~~ $5,246,000 and ~~801~~ 966 FTEE

The VA plans expansion in its range of alternatives to hospital care. An increase in such programs, which collectively are called, extended care, is necessary to accommodate the needs of the aging veteran (See graphic chart - Veterans over age 65) as well as other veterans with chronic medical problems. Extended care includes institutional alternatives to hospital care such as nursing homes and domiciliaries; noninstitutional supports to home care such as ~~hospital based home care~~, visiting nurse, and aid and attendance income supplement for nursing care; and, for those needing them, home alternatives such as personal care homes.

Age frequently affects the choice of type of extended care for patients with similar medical problems. For example, an older person may need a longer period of convalescence following treatment in a hospital than a younger patient, and a nursing home may be appropriate. An elderly patient with a home and family may be able to manage a major medical problem at home, but an elderly widower with the same problem might need a different program.

The major problem for de-institutionalizing extended care patients is that because of age, infirmities, or both, they often need significant services and support but frequently lack a home or a responsible family member to provide this care. As a result, they may remain in institutions because of a lack of suitable alternatives. The search for alternatives continues, but the solution for this type of patient may be difficult to achieve.

Alternatives to institutionalization should provide a better personal solution for the patient at a more reasonable individual and social cost. The patient who has a home has access to ~~professional services (Hospital Based Home Care)~~, income supplements to help meet needs for nursing assistance (Aid and Attendance Program), and sometimes relief for family members to perform other duties and to obtain rest (Day Care Centers and related programs). There are major problems when the patient does not have a home or potential caretakers. If the need for services is limited, the Personal Care Home Program is available.

The VA Extended Care Program is responsible for managing the following programs as authorized by various statutes:

Program	Authorized by	FY 1982 Estimates
VA Nursing Home Care	PL 88-450	~~8,919~~ Census 8,885
Community Nursing Home Care	PL 88-450	~~9,295~~ Census 8,202
Domiciliary Care	PL 89-358	7,520 Census
~~Hospital Based Home Care~~	~~PL 93-82~~	~~1,500 Census~~

There is also participation with States in the State Veterans Home program of domiciliaries, nursing homes, and hospitals by providing per diem and certain construction costs:

State Domiciliary Care	PL 88-450	5,484 Census
State Nursing Care	PL 88-450	6,366 Census
State Hospital Care	PL 91-178	1,000 Census

The VA also sponsors other health care modalities such as:

Personal Home Care
Geriatric Day Care Centers
Geriatric Research, Education, and Clinical Centers (GRECCs)

The ACMD for Extended Care is responsible for promoting research and educational efforts in behalf of the elderly within the VA. The GRECCs provide one setting for integrated programs of research, educational and specialized clinical activity relevant to problems of the aged.

Further details related to these activity changes immediately follows:

VA Nursing Home Care: Increases of ~~$21,773,000~~ $20,845,000 and ~~801~~ 766 FTEE

VA Nursing Homes will experience an increase of ~~766~~ 736 average operating beds and ~~1283~~ census due to newly constructed VA Nursing Homes requiring ~~211~~ 176 FTEE and ~~$5,566,000~~ $4,438,000 in fiscal year 1982. Annualization of fiscal year 1981 new activations will add 145 census requiring 145 FTEE and $4,197,000 in fiscal year 1982. Realignment from VA Hospital operations will add 445 FTEE and $12,010,000 and support 417 census. Title 38 U.S.C. directs the Administrator, subject to the approval of the President, to establish and operate not less than twelve thousand nursing (NHC) beds. PL 94-581 directs the rapid expansion of the VA Nursing Home Care Program. An average operating level of 8,394 NHC beds was attained during fiscal year 1980.

Resource Recap

Item	FTEE	(dollars in thousands)
New Construction in 1982 (Excludes Equipment)	~~211~~ 176	~~$5,566~~ $4,438
Annualization 1981 activations	145	4,197
Realignment from VA Hospital Operations	445	12,010
Total	~~801~~ 766	~~21,773~~ 20,845

State Home Programs: Increase of $1,438,000

The State Home programs will require $733,000 for a 166 census increase in State Home Nursing and $705,000 for a 304 census increase in State Home Domiciliaries.

Resource Recap

Item	FTEE	(dollars in thousands)
State Home Nursing	...	$ 733
State Home Domiciliaries	...	705
Total	...	1,438

Community Nursing Home Program: ~~Increase~~ Decrease of ~~$1,716,000~~ $17,037,000

An ~~increase~~ decrease of ~~180~~ 993 census to meet expected demand will require an ~~increase of $1,716,000~~ will reduce resource requirements by $17,037,000.

Resource Recap, Item 1.f.

Item	FTEE	(dollars in thousands)
VA Nursing Home Care	~~801~~ 766	~~$21,773~~ $ 20,845
State Home Program	...	1,438
Community Nursing	...	~~1,716~~ - 17,037
Total	~~801~~ 766	~~24,927~~ 5,246

g. Civilian Health and Medical Programs of the VA (CHAMPVA): Decrease of $364,000

Existing CHAMPVA programs will experience a decrease of $364,000 resulting from a reduction of 4,974 outpatient visits.

h. Contract Hospitals: Decrease of $6,970,000

A census reduction of 99 will result in a decreased requirement of $6,970,000 in fiscal year 1982. The availability of patient care will not be affected because the VA intends to absorb this workload within VA medical centers.

2. Specialized Programs: Increases of ~~$14,404,000~~ $11,974,000 and ~~437~~ 372 FTEE

Specialized programs are established within VA health care facilities to provide and improve systemwide modern medical care techniques. Each service is unique as to the specialized resources required for its establishment, the appropriate criteria of need and adequate utilization, and requirements for upgrading. All of these programs are centralized for overview monitoring and evaluation by Central Office staff. Special emphasis is given to the completion and upgrading of special programs which have the highest impact on quality of care, represent viable alternatives to inpatient care and have the most potential for shortening the length of an inpatient hospital stay.

Specialized Programs, Resource Recap Item 2

Program	Units	FTEE	Cost (dollars in thousands)	
a. Computerized Tomographic Scanners...	~~95~~	...	$ ~~1,125~~	$625
b. Pacemaker Surveillance System.....	1	10	404	
c. Unit Dose.....	15,784 Beds	317	6,266	
~~d. Urodynamic Lab.....~~	~~3~~	~~6~~	~~240~~	
~~e. Rehabilitation (various programs)...~~	~~...~~	~~59~~	~~1,590~~	
f. Automated Pharmacy System.....	...	...	300	
~~g. Automated SPD System.....~~	~~...~~	~~...~~	~~100~~	
h. Agent Orange.....	...	45	4,379	
TOTAL.....		~~437~~ 372	~~14,404~~ 11,974	

Additional equipment requirements associated with Specialized Programs (~~$7,236,000~~ $3,307,000) and Medical ADP (~~$2,142,000~~ $ 180,000) are justified in Capital Investment Section 6B.

a. Computerized Tomographic Scanners: Increase of ~~$1,125,000~~ $625,000

Radiological physics and computer technology have become established as an integral component of the state-of-the-art in diagnostic radiology. Computerized Tomography is used in a wide range of diagnostic studies such as Neurology, Opthalmology, Otolaryngology, diseases of the mediastinum, retroperitoneum, pancreas, biliary tract, and others. A hospital which offers comprehensive, multidisciplinary, therapeutic services must also possess equally comprehensive diagnostic capabilities.

b. Pacemaker Surveillance System: Increases of $404,000 and 10 FTEE

Expansion of a computer managed telephonic pacemaker surveillance system established at VAMC San Francisco, will serve both the clinical needs of VA patients and the need for establishing selection criteria for pacemakers used by the VA.

c. Unit Dose: Increases of $6,266,000 and 317 FTEE

Unit Dose facilitates pharmacy control of all medications dispensed and reduces the potential for unaccountable medication losses that occur in a ward stock program of drug distribution. In addition, a better quality of service will be provided to the patient through the medication profile review procedure associated with unit dose.

d. Urodynamic Laboratories: Increases of $240,000 and 6 FTEE

Urodynamic Laboratories have the capacity to measure intravesical pressure, transurethral pressure, intraabdominal pressure, and can monitor and record heart rate, respiration rate, and blood pressure. They permit evaluation and treatment of patients who have neurogenic bladders, allowing them to become catheter free thus preserving renal functions.

e. Rehabilitation: Increases of $1,590,000 and 59 FTEE

A major goal of the VA health care system is to expand and enhance its capability to deliver comprehensive rehabilitation services to veteran beneficiaries. A special task force was convened which assimilated the needs for VA's rehabilitation program to once again become a comprehensive process for service delivery, education and research. In fiscal year 1982 the VA is requesting 59 FTEE and $1,590,000 to begin its efforts in the following areas:

(1) Initiate SCI Levels of Care
(2) Establish Vocational Placement Program
(3) Expand capabilities of Visual Impairment Surveillance Team
(4) Implement the Case Manager Process

f. Automated Pharmacy System: Increase of $300,000

The automated pharmacy system maximizes accountability of medications. In addition, patient care is enhanced by accurate drug utilization review, current patient medication overviews, screening for drug interactions, etc. The capability for maximum accountability of medications will be further enhanced by integrating the conversion of 15,784 beds to unit dose with the automated pharmacy system in FY 1982.

g. Automated SPD System: Increase of $100,000

Supplies issued through the supply processing and distribution system represent the second largest program user of expendables in the VA. These supplies are issued to wards and clinics in each hospital without cost distribution. This automated system will provide control of these supplies which will increase cost effectiveness through budgeting, identification of usage and maximum utilization of funds by proper recording of supplies required for direct patient care. Resources requested here are for operating supplies and services. Necessary ADP requirements are justified in Capital Investment Section 6b.

h. Agent Orange: Increases of $4,379,000 and 45 FTEE

Provides for necessary clinical resources to conduct the long-range epidemiological research study mandated by P. L. 96-151 including identifying and contacting veterans, providing staffs for examining and recording data, paying travel costs related to examinations, and providing for non-VA monitoring of the field work.

3. Education and Training Programs: ~~Increase~~ Decrease of ~~$2,101,000~~ $1,094,000 and ~~35~~ 93 FTEE

The Department of Medicine and Surgery conducts a program of education and training of pre-and post-graduate students in the health professions and occupations in order to provide more complete health care services of excellent quality to veterans and to assist in providing an adequate supply of health care providers for the VA and the nation. The conduct of these education and training programs is based on the premise that:

- trainees participating in their clinical education increase the number of persons available to provide clinical medical care at the bedside and in clinics;
- more staff health care professionals are attracted where there are teaching and continuing learning opportunities;
- medical advances that contribute to enhancing the quality of patient services are more likely to be appropriately applied in a teaching setting;
- a questioning attitude between trainee and teacher enhances the quality of care;
- the manpower produced is beneficial to recruitment in DM&S and provides suitably trained personnel for the nation.

In addition to education and training activities delineated here and funded by the Medical Care Appropriation, the Department also provides support to education and training activities through the Medical Administration and Miscellaneous Operating Expenses Appropriation and the Assistance for Health Manpower Training Institutions Appropriation.

-Affiliations-

The VA is the largest unitary health care delivery and hospital system in the nation and employs more health care providers than any other single system. It is an ideal setting for such training. However, the priority is to ensure that this unique educational capability is increasingly used to meet the special health care needs of the veteran patient while simultaneously fulfilling a national mandate.

VA medical centers carry out the majority of these training programs in affiliation with medical schools, dental schools, nursing schools, and other health manpower training institutions. Some programs are VA-based and designed solely to meet VA needs such as prosthetics and orthotics. Clinical training covers the entire range of health care providers - physicians, dentists, nurses, other associated health manpower specialists - and hospital administration and management specialists.

In 1980, the VA had affiliations with 107 medical schools, 59 dental schools and about 850 other schools. Through these affiliates, over 96,000 students and trainees received training in VA medical centers.

The affiliation and cooperative programs are of mutual benefit to DM&S, the academic institutions, students/trainees, and the nation. The academic institution offers assistance to the VA medical center in recruitment and retention of staff, consultation on patient care programs, and actual patient care services due to the "on-the-job" nature of the students' clinical training. The DM&S provides the affiliated institutions with access to substantial clinical facilities, a broad spectrum of health services programs, and highly trained professional staff. Together, DM&S and the affiliated institutions produce a significant portion of the manpower which operates the nation's health care system in both governmental and private sectors.

- Trainee Stipends and Salaries-

Physician and dentist house staff training programs in VA affiliated medical centers are key elements in the delivery of patient care. Through centralized management of the physician house staff allocation process, preference is given to programs in areas of special VA needs such as physical medicine and rehabilitation, and primary care. For academic year 1981-1982, 7,496 physician and 312 dentist house staff positions are budgeted.

In 1978, the VA established programs of specialized physician fellowships in areas of special importance to VA patient care needs such as geriatrics and spinal cord injury. A substance abuse fellowship program was implemented in July 1980. For July 1982, ~~92~~ 74 positions are budgeted for physician fellowships.

Associated health professions training programs also contribute to meeting the needs of VA medical centers for the provision of high quality care to veterans and for the recruitment of associated health professions personnel. In 1980, various programs were initiated in interdisciplinary team training in geriatrics/gerontology, clinical nurse specialist training in high priority areas such as rehabilitation and summer traineeships at VA medical centers which are distant from their university affiliates.

Administrative trainee support is primarily for organized, on-the-job programs for DM&S employees in career fields of importance to the VA health care delivery effort. Trainees in VA medical centers specialize in such entry-level management fields as finance, personnel, supply, and medical administration. Also, senior professional staff such as assistant hospital director and chief of staff receive special management training before assignment to key positions.

-Continuing Education Initiatives in Rehabilitation-

As a part of its effort to address the special needs of veterans, DM&S has placed special emphasis on rehabilitation. Essential to this effort is a strong continuing education effort.

A part of this coordinated effort is carried out by the Regional Medical Education Centers (RMECs) located at seven VA medical centers throughout the country. These RMECs provide a system-wide educational focus for planning and conducting training needed by the Department's health care staff, including the special emphasis area of rehabilitation. In addition, the RMECs will undertake an intensive effort to provide leadership for the Agency's continuing education needs in all areas of rehabilitation.

VA staff also support efforts in interdisciplinary team training in spinal cord injury and substance abuse for VA health care providers. The purpose of the team training program is to develop a cadre of VA health practitioners with the knowledge and competencies required to provide team care to meet the wide spectrum of health care and service needs of the disabled veteran. This educational effort is based on the concept that health care delivered by a team of health professionals holds promise of more efficient utilization of health personnel and results in better management of patients in need of continuing care.

-Fiscal Year 1982 Request-

In fiscal year 1982, a net increase of ~~$14,172,000~~ $10,977,000 and ~~35~~ decrease of 92 FTEE is requested for the Education and Training activities budgeted in the Medical Care appropriation. This results from an increase of $12,071,000 due to mandatory pay adjustments as reflected in the Education and Training Program Summary and net program ~~changes of~~ decreases of ~~$2,101,000~~ $1,094,000 and ~~35~~ 92 FTEE as specified below.

- Increases of ~~$2,631,000~~ $550,000 and ~~85~~ 12 FTEE for (a) 25 additional physician house staff positions in physicial medicine and rehabilitation (~~$550,000 and 12 FTEE~~); (b) ~~annualization of the specialized physician fellowship programs in geriatrics, spinal cord injury and substance abuse to a program total of 92 physicians ($492,000 and 10 FTEE); (c) associated health trainees in the areas of rehabilitation, spinal cord injury and substance abuse ($750,000 and 30 FTEE); (d) staff to support the education and training needs associated with the Agency's efforts in developing a comprehensive rehabilitation plan ($629,000 and 27 FTEE); and (e) coordinators to support the Department's efforts in interdisciplinary team training in spinal cord injury and substance abuse ($210,000 and 6 FTEE).~~

- ~~A decrease of $530,000 and 50 FTEE reduces the number of VA employees in administrative programs. These are employees training to become managers and leaders of the VA health care teams.~~

These changes constitute a program that is ~~responsive to special VA needs in rehabilitation and is also~~ mindful of fiscal constraints.

Resource Recap, Item 3

Item	FTEE	(dollars in thousands)
Physician House Staff	12	$ 550
Specialized Physician Fellowships	~~10~~ 8	~~492~~ - 220
Associated Health Trainees	~~30~~ - 46	~~750~~ - 894
~~Rehabilitation~~	~~27~~	~~629~~
~~Interdisciplinary Team Coordinators~~	~~6~~	~~210~~
Administrative Trainees	- 50	- 530
Total	~~35~~ - 92	~~2,101~~ - 1,094

- Decreases of $1,644,000 and 104 FTEE by (a) reducing the specialized fellowship programs in geriatrics and spinal cord injury ($220,000 and 8 FTEE) (b) reducing the number of paid trainees in associated health training programs ($894,000 and 46 FTEE) and (c) reducing the number of VA employees training in administrative programs to become managers and leaders of the VA health-care teams ($530,000 and 50 FTEE).

4. Payroll for Existing Employment - Increase of $125,607,000

a. An increase of $39,001,000 is requested to provide for within-grade longevity salary increases as provided by law (Sec. 5335, Title 5 U.S.C.). This increase, computed in accordance with criteria established by the Office of Management and Budget takes into account time lapsed in filling vacancies caused by employee turnover and good position management. This conservative approach is evidenced by the difference between the $201 per eligible employee actually used in the estimate and the almost $700 per employee which would be required if the longevity increase were based on salary tables using the average salary of Medical Care employees.

b. An increase of $31,162,000 is required in FY 1982 for annualization impact of PL 83-763 covering estimated wage board increases that will be approved during the period October 1, 1980 to September 30, 1981.

c. Pursuant to PL 86-767, the current estimate for benefit payments made by the Office of Workers Compensation will be $39,809,000, an increase of $4,274,000 over 1981.

d. $11,074,000 is required for increased stipend adjustments. Each year the VA must assume the cost of unavoidable increases in stipends for medical and dental residents. The VA's medical and dental training programs are conducted in affiliation with 107 medical schools and 59 dental schools with approximately one-third of the nation's medical residents obtaining all or part of their clinical experience in VA medical centers. The trainees in these programs rotate between the VA and university hospitals during their training. In order to equalize compensation levels, all trainees are paid at the rate of the university or index hospital. Accordingly, when the index hospital stipend rates increase, the VA must provide corresponding increments for its portion of the training programs. If the VA could no longer keep pace with the prevailing compensation rates, many affiliations would be seriously weakened or terminated.

e. $18,649,000 is requested to annualize the October 1980 pay raise, Executive Order 12248, which became effective for the VA on October 5, 1980.

f. Annualization of the Social Security Tax increase January 1, 1982 from 6.65% to 6.70% per PL 95-216. An increase of $329,000 is requested.

g. An increase of $21,118,000 is needed to annualize PL 96-330, the Veterans Administration Health-Care Amendments of 1980. $21,100,000 is necessary for annualization of special pay for physicians and dentists and $18,000 is necessary to annualize retirement credit provisions of Section 103.

5. Increases in Cost ~~and Usage~~ for Objects of Expense other than Personal Services will require an additional ~~$234,368,000~~ $181,568,000 in FY 1982. Included are Cost ~~and Usage~~ increases for both VA and Non-VA Programs.

a. For VA Programs, the costs of inflation estimated in accordance with OMB Circular A-11. ~~and the costs for usage attributable to technology and other factors are the basis of "cost and usage" estimates~~. A net increase of ~~$185,670,000~~ $132,870,000 is required as detailed below.

(1) Forecasts by management to meet anticipated Medical Center needs will require ~~$174,157,000~~ $131,357,000. The following are among the most significant cost ~~and usage~~ items: ~~$51,137,000~~ $37,548,000 increase for Rent, Communications, and Utilities, of which ~~$33,780,000~~ $24,334,000 is necessary to meet increased utility charges; Other Services up ~~$33,193,000~~ $24,565,000; Drug and Medicine cost requirement up ~~$21,564,000~~ $15,964,000; Medical and Dental Supplies up ~~$27,626,000~~ $20,444,000; Operating Supplies and Prosthetic Appliances up ~~$9,870,000~~ $7,304,000 and Provisions up ~~$6,402,000~~ $4,738,000.

~~(2)~~ An increase of $10,000,000 is requested ~~to revise the basic fee~~ rate for Consultants and Attendings. ~~The basic fee rate has not been increased since 1970. Without such increases it will become more and more difficult to obtain qualified professional consultants and attendings to provide quality, balanced and geographically accessible health care to veteran beneficiaries.~~

(2) An increase of $1,513,000 is requested for Real Property Rental rate increases.

b. Non-VA Programs Increases totaling $48,698,000 are requested for rate increases in the following non-VA programs: Medical and Dental Fee, $13,240,000; Fee Prescription, $1,100,000; Community Nursing, $22,390,000; CHAMPVA, $4,545,000; and Contract Hospital, $7,423,000.

Resource Recap, Item 5

Item	(dollars in thousands)	
Increased Cost ~~and Usage~~	~~$174,157~~	$131,357
~~Consultants and Attendings~~	~~10,000~~	
Real Property Rental Increases	1,513	
Sub Total for VA Programs	~~185,670~~	132,870
Sub Total for Non-VA Programs	48,698	
Total - ~~"Cost and Usage"~~	~~234,368~~	181,568

6. An increase of ~~$231,651,000~~ $182,758,000 is requested for the Maintenance and Repair and the Capital Investment programs.

A. Maintenance and Repair

The Veterans Administration and the Office of Management and Budget have developed cooperatively a program that will meet the agency's maintenance and repair needs at an acceptable level. Such a program is essential to protect the Government's investment in more than 5,300 separate VA buildings having nearly 111 million square feet of floor space and for which the current replacement values approximate $13,975,000,000.

Estimates for maintenance and repair of buildings are based on principles of a system which was developed by the professional engineering staff of the University of Oklahoma for State use and modified specifically for hospital use in FY 1977 by professional consultants. The system computes requirements through formulas which consider the square footage of buildings, types of construction, operating beds, outpatient visits, operating fixtures, and value of operations equipment. This revised system, now known as the Engineering Maintenance and Operations Requirements Equation, estimates the normal annual recurring maintenance and repair of real property and operating equipment as well as maintenance of utility lines outside the building perimeter and maintenance of roads, sidewalks and grounds. It also estimates the nonrecurring maintenance requirements for real property and operating equipment.

The following chart summarizes the computed estimates for the nonrecurring portion of the maintenance and repair program:

	1981 Cost	1982 Cost	Increase (+) Decrease (-)
		(dollars in thousands)	
Nonrecurring M&R of Buildings and Operations Equipment	$62,592	$69,500	$+ 6,908

Fiscal year 1982 maintenance and repair operating expense totals shown above are exclusive of adjustments for opening new facilities, wage board increases and legislated salary increases.

SPACE AND FUNCTIONAL DEFICIENCY IDENTIFICATION (SFDI) SYSTEM

The Space and Functional Deficiency Identification (SFDI) System identifies space and functional deficiencies at VA Medical Centers utilizing a standardized, objective, integrated methodology. The objectives of the SFDI System are: provision of a standardized information base permitting determination of center deficiencies for decision with regard to incremental improvement, replacement, or modernization; provision of standardized data for improved five-year medical center planning; and prioritization of individual deficiencies permitting optimization of finite financial resources in the development of medical center improvement plans and budget requests.

The SFDI System measures existing space and functional adequacies of each service (e.g. ward units, laboratories, X-ray, dietetics, engineering, etc.) surveyed against established criteria. Additionally, an assessment of building shell condition, utilities, JCAH and code compliances as well as educational and training needs complete the data pool. Adjustment for programmed projects and application of a weighting formula develops a deficiency rating score for each function surveyed, as well as an overall medical center deficiency score. This permits systemwide ranking and prioritization of identified deficiencies by individual survey item (ambulatory care, nursing bed units, radiology, warehouse, building shell condition, etc.) or by facility.

B. Capital Investment

Capital Investment requirements consist of [I] object class 31 replacement and additional equipment, [II] object class 32 replacement and additional building service equipment, and [III] minor improvement projects having construction costs of less than $100,000. A summary of the Capital Investment requirements for fiscal year 1981 and fiscal year 1982 is provided in the following table:

CAPITAL INVESTMENT

Program	1981 Estimate	1982 Estimate	Increase(+) Decrease(-)
	(dollars in thousands)		
I. Object Class 31 Equipment:			
Replacement Equipment.....	~~$ 25,358~~ 24,853	~~$117,787~~ 103,186	~~$ 92,229~~ + 78,283
Additional Equipment:			
for Existing Facilities.....	~~36,124~~ 23,172	~~62,299~~ 51,088	~~+ 36,175~~ + 27,916
for Education and Training...	~~581~~ ~~663~~	~~2,298~~ 2,661	~~+ 1,998~~ + 1,917
for Specialized Programs.....	384	~~3,807~~ 7,236	~~+ 6,852~~ + 3,423
for Major and Minor Construction Projects.....	39,249	~~49,658~~ ~~55,299~~	~~+ 16,050~~ + 10,409
for Medical ADP Systems.....	~~2,040~~ 2,640	~~180~~ 2,142	~~- 498~~ - 1,860
Additional Equipment - Total.	~~69,060~~ 65,426	~~129,637~~ 107,031	~~+ 60,577~~ + 41,605
Total.....	~~94,618~~ 90,279	~~247,424~~ 210,167	~~+152,806~~ +119,888
II. Object Class 32 Equipment:			
Replacement, Bldg. Service Equipment	16,027	57,830 ~~69,172~~	+ 41,803 ~~+ 53,145~~
Additional, Bldg. Service Equipment.....	~~5,829~~ 4,225	~~18,028~~ 31,791	~~+ 32,199~~ + 27,566
Total	~~21,856~~ 20,252	~~107,200~~ 89,621	~~+ 85,344~~ + 69,369
III. Minor Improvements:			
for Existing Facilities.....	16,417	3,010	- 13,407
Total Capital Investment.....	~~132,891~~ 126,948	~~357,634~~ 302,798	~~+224,743~~ + 195,850

1. Object Class 31 Equipment Requirements

Object Class 31 Equipment requirements for Medical Care appropriation activities are identified below under two headings as (a) replacement equipment and (b) additional equipment. Fiscal year 1982 requirements for object class 31 equipment total ~~$247,424,000~~ $210,167,000 which is an increase of ~~$152,806,000~~ $119,888,000 from the fiscal year 1981 level.

(a) Replacement Equipment. The fiscal year 1982 total requirement for replacement equipment is ~~$117,787,000~~ $103,136,000. The Medical Care equipment replacement program was developed collaboratively with the Office of Management and Budget, and determines replacement requirements in accordance with prescribed equipment life expectancy tables and use standards. These criteria require that equipment items be repaired, refinished, or refurbished and continued in useful life as long as economically feasible. The equipment needs in this category include replacement requirements for existing facilities and for major/minor construction and modernization projects.

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The majority of medical equipment items requires replacement within 5 to 10 years after being placed in use.

The funding plan for replacement of object class 31 equipment for fiscal years 1981 and 1982 is shown as follows:

	1981 Estimate	1982 Estimate
	(dollars in thousands)	
Requirements remaining from the prior fiscal year	$ 65,521	$111,260 ~~$130,344~~
Plus value of items due for replacement in current year	70,592 ~~90,381~~	119,169 ~~95,093~~
Adjusted requirements	136,113 ~~155,902~~	230,429 ~~225,437~~
Less planned obligations	24,853 ~~25,558~~	103,136 ~~117,787~~
Requirements remaining at end of fiscal year	111,260 ~~130,344~~	127,293 ~~107,650~~

(b) Additional Equipment. Fiscal year 1982 total requirements of ~~$129,637,000~~ $107,031,000 are identified below as (1) equipment for existing Medical Centers; (2) equipment for Education and Training;(3) equipment for Specialized Programs (4) equipment for Major and Minor Construction Projects; and (5) equipment for Medical ADP Systems.

(1) Additional equipment requirements for existing Medical Centers total ~~$62,299,000~~ $50,725,000 for fiscal year 1982. These requirements are based on a need of VA hospitals and clinics to adequately and concurrently equip their centers as new medical and administrative techniques are perfected. The amount programmed includes provisions for limited improvements in equipment utilized at all existing centers and involves all functional areas related to the care and treatment of patients. Also included are resources for the purchase, installation and maintenance of telephone systems.

(2) Additional equipment requirements for Education and Training facilities for fiscal year 1982 total $2,661,000. This equipment will be utilized in the patient health education program.

(3) Additional equipment requirements for specialized programs total ~~$7,236,000~~ $3,807,000 for fiscal year 1982. This is an increase of ~~$6,852,000~~ $3,423,000 over fiscal year 1981. Identification of requirements by program is provided in the following table:

Specialized Programs	Estimates (dollars in thousands)	
Computerized Tomographic Scanning	~~$4,725~~	$2,625
Pacemaker Surveillance System	54	
~~Rehabilitation Programs~~	~~$236~~	
Unit Dose	1,128	
~~Urodynamic Laboratories~~	750	
Total	~~$7,236~~	3,807

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$49,658,000

(4) Additional equipment requirements for Major and Minor construction projects total ~~$55,299,000~~ for fiscal year 1982. Current procedures for financing object class 31 initial portable and fixed operating equipment needed for these construction projects require the center directors to develop from approved architectural specifications and working drawings additional equipment requirements for construction projects taking into account (a) equipment items already on hand that can be continued in use in the new center and (b) those items whose useful lives have expired and are to be replaced from the equipment replacement amounts described in the preceding section of this estimate. The construction projects for which the requested funds are required in fiscal year 1982 are denoted in the following chart:

MAJOR AND MINOR CONSTRUCTION PROJECTS

Station	Project Number	Description
Allen Park, MI	553-056	Lab Expansion and Renovation
Atlanta, GA	508-007	Ambulatory Care Addition
Bath, NY	514-065	Ambulatory Care Addition
Bay Pines, FL	516-D53	Replacement Hospital
Birmingham, AL	521-026	Blind & Low Vision Center
~~Brooklyn, NY~~	~~527-002~~	~~Laundry Consolidation~~
Canandaigua, NY	532-056	Renovate Patient Buildings
~~Chillicothe, OH~~	~~538-074~~	~~Mod. Buildings 24, 31, 35~~
Cincinnati, OH	539-021	Clinical Expansion
Hampton, VA	590-057	Enlarge SCI
Lake City, FL	594-032	Renovate SPD
Little Rock, AR	598-016	Replacement Hospital
Livermore, CA	599-050	Remodel Ward B-62
Miami, FL	546-010	Relocate SICU
~~Philadelphia, PA~~	~~642-000~~	~~Remodel MICU~~
Reno, NV	654-030	New Laundry
Richmond, VA	651-D01	Replacement Hospital
Salt Lake City, UT	660-018	Ambulatory Care
San Juan, PR	455-008	Update R.O. to OPC
Syracuse, NY	670-A08	Ambulatory Care Renovation
Tuskegee, AL	680-063	Ambulatory Care Addition
Washington, DC	688-023	Ambulatory Care Addition
Wichita, KA	452-A31	Clinical Addition
Wood, WI	695-075	Ambulatory Care Renovation
Various		New OP Clinics (Leased)
Various		Minor Miscellanous Construction Projects ($100,000 to $400,000)
Various		Nonrecurring M&R Projects
Various		Nursing Home Care Beds

$180,000

(5) Additional equipment requirements for the Medical Automated Data Processing Systems total ~~$2,142,000~~ for fiscal year 1982. Medical-ADP requirements will be utilized in the following programs:

Program	Estimate (dollars in thousands)
~~Automated Supply, Procurement and Distribution (SPD) System~~	~~$ 1,712~~
Pacemaker Surveillance System	$ 180
~~Rehabilitation Centers~~	~~250~~
~~Total~~	~~2,142~~

II. Object Class 32 Building Service Equipment Requirements

$57,830,000 $89,621,000

Object Class 32 total requirements of ~~$107,200,000~~ for fiscal year 1982 consist of ~~$69,172,000~~ for replacement equipment and ~~$38,028,000~~ for additional equipment. Included in this category are those items of installed equipment associated with minor improvement projects.

$31,796,000

(a) Replacement Equipment. Fiscal year 1982 requirements for replacement equipment total ~~$69,172,000~~. $57,830,000

With full recognition of the substantial outlays required, this program was initiated in fiscal year 1966 with the economic objectives of extending the useful life of existing medical centers and reducing the cost of future major modernization construction projects. Updating of the building service equipment replacement funding requirements is effected annually through physical inspection of items to be replaced.

The age of equipment to be replaced is approaching 30 years which is 5 to 10 years beyond its original anticipated useful life. Recurring maintenance costs are adversely affected through continuation in service of worn out equipment. Operating costs are also increasing unnecessarily due to the inherent inefficiency of existing equipment compared to new technology designed into available replacement equipment.

The funding plan for replacement of object class 32 equipment for fiscal year 1981 and fiscal year 1982 is shown below.

	1981 Estimate	1982 Estimate
	(dollars in thousands)	
Unfunded requirements remaining from prior fiscal year	$66,654	$ 95,401
Plus value of items due for replacement in current fiscal year	44,774	~~50,000~~ 50,201
Adjusted requirements	111,428	~~145,401~~ 145,602
Less: Planned obligations	16,027	~~69,172~~ 59,830
Requirements remaining at end of fiscal year	95,401	~~76,229~~ 85,772

(b) Additional Equipment. Fiscal year 1982 additional equipment requirements total $38,028,000. Requirements are based on Central Office review of individual center requests for additional building service equipment items. Improved aseptic and housekeeping techniques result in the need to install additional sinks, temperature controls, and hot water generators. Increased use of electro-medical equipment requires additional switching systems and manual and automatic controls as well as the need for additional air cooling and ventilation equipment, especially at older centers.

6-32R

III. Minor Improvements

Fiscal year 1982 requirements of $3,010,000 are estimated for minor improvements. An additional $27,090,000 for equipment associated with these projects is included in the equipment estimate.

Minor improvements are small construction projects, where the costs are paid from funds budgeted under the Medical Care operating appropriations. These projects cover structural changes, additions, alterations, conversions, and modernization of existing buildings and other structures and facilities which can be completed for $100,000 or less, including station labor when used, but excluding the cost of installed equipment.

Minor improvements include projects such as foundation alterations for installation of heavy duty medical equipment; modification for additional electrical power; installation of smoke barrier doors; installation of automatic sprinkler systems; installation of emergency generators; alteration of dental clinic space; and alterations of nurses stations.

FTEE BY TYPE

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
Nurses	29,001	29,125	28,953	29,470	28,537
Dentists	1,027	1,032	1,026	1,043	1,032
Physicians	11,613	11,661	11,592	11,814	11,517
Psychologists	1,331	1,337	1,299	1,340	1,236
Wage Board	37,217	37,376	37,155	37,411	37,154
Purchase & Hire	323	320	318	320	317
Other Personnel	105,186	105,641	104,869	105,512	101,936
Total, Net	185,698	186,492	185,212	186,910	181,729
Less, Common Services	- 644	- 623	- 623	- 623	- 623
Total, Jurisdictional	185,054	185,869	184,589	186,287	181,106

In accordance with Circular A-10 dated [illegible], the confidential budget material [illegible] be disclosed in any form [illegible] transmittal document.

FTEE BY ACTIVITY

Medical Bed Sections	73,620	74,456	73,772	73,682	72,099
Surgical Bed Sections	36,116	35,450	35,152	35,667	35,300
Psychiatric Bed Sections	33,916	34,410	34,288	34,415	33,881
VA Hospitals	143,651	144,316	143,212	143,764	141,280
VA Domiciliaries	2,814	2,720	2,720	2,720	2,720
VA Nursing Homes	8,666	8,750	8,750	9,551	9,516
Outpatient	29,026	29,164	28,988	29,333	26,671
Miscellaneous Benefits & Services	1,034	1,034	1,034	1,034	1,034
Non-VA Support	508	508	508	508	508
Total, Net	185,698	186,492	185,212	186,910	181,729
Less, Common Services	- 644	- 623	- 623	- 623	- 623
Total, Jurisdictional	185,054	185,869	184,589	186,287	181,106
Education & Training Support	(8,691)	(9,056)	(9,056)	(9,091)	(8,964)

Payroll Costs

Fiscal Year	Total Cost (dollars in thousands)	Average Cost
1963	$ 815,932	$ 6,259
1964	854,882	6,586
1965	906,802	7,017
1966	932,512	7,264
1967	992,370	7,614
1968	1,059,542	7,958
1969	1,140,807	8,662
1970	1,294,646	9,903
1971	1,437,793	10,719
1972	1,661,805	11,443
1973	1,838,695	12,012
1974	2,050,850	13,004
1975	2,303,404	14,006
1976	2,638,119	15,309
1977	2,947,007	16,671
1978	3,301,833	17,856
1979	3,482,600	19,162
1980	3,870,435	20,843
1981 Est	4,267,653	22,884
1982 Est	4,404,440	23,564

COMPARATIVE EMPLOYMENT RATIOS

	1980 Actual	1981 January	1981 Revised+	1982 January	1982 Revised
STAFFING RATIOS (FTEE/CENSUS):					
Medical Bed Sections..	2.18	2.28	2.26	2.32	2.27
Surgical Bed Sections.	2.70	2.88	2.86	2.93	2.90
Psychiatric Bed Sections.....	1.61	1.69	1.68	1.72	1.69
Average VA Hospitals..	2.11	2.21	2.19	2.25	2.21
VA Domiciliaries.....	.36	.36	.36	.36	.36
VA Nursing Homes.....	1.09	1.06	1.06	1.07	1.07
FTEE/1,000 PATIENTS TREATED:					
Medical Bed Sections..	101	103	102	102	100
Surgical Bed Sections.	110	108	108	109	108
Psychiatric Bed Sections.....	181	184	183	184	181
Average All VA Hospitals.....	115	117	116	116	114
VA Domiciliaries.....	185	185	185	185	185
VA Nursing Homes.....	680	660	660	669	668

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MEDICAL CARE - PROGRAM SUMMARIES

Number of Installations

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
VA Hospitals.....	172	172	172	172	172
VA Domiciliaries.....	16	16	16	16	16
VA Nursing.....	92	96	96	100	100
Outpatient Clinics.....	227	228	228	229	228

Summary of Inpatient Workloads and Workload Indicators

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
Medical Bed Sections:					
Avg. Operating Beds.	41,215	40,750	40,750	40,150	38,750
End Point OP Beds...	40,815	40,350	40,350	39,700	38,300
(Census)....	(33,712)	(32,616)	(32,616)	(31,767)	(31,767)
Occupancy Rate.....	81.8	80.0	80.0	79.1	82.0
Length of Stay.....	19.6	19.4	19.4	19.2	19.2
Patients Treated....	730,283	724,230	724,230	724,145	724,145
Surgical Bed Sections:					
Avg. Operating Beds.	18,044	17,700	17,700	17,450	17,450
End Point OP Beds...	17,823	17,550	17,550	17,350	17,350
(Census)....	(13,379)	(12,308)	(12,308)	(12,168)	(12,168)
Occupancy Rate.....	74.1	69.5	69.5	69.7	69.7
Length of Stay.....	16.5	16.3	16.3	16.1	16.1
Patients Treated....	329,428	326,832	326,832	326,938	326,938
Psychiatric Bed Sections:					
Avg. Operating Beds.	24,886	24,250	24,250	23,900	23,500
End Point OP Beds...	24,322	24,000	24,000	23,650	23,250
(Census)....	(21,018)	(20,361)	(20,361)	(20,044)	(20,044)
Occupancy Rate.....	84.5	84.0	84.0	83.9	85.3
Length of Stay.....	46.5	46.4	46.4	46.3	46.3
Patients Treated....	187,805	186,938	186,938	186,987	186,987
Sub-Total VA Hospitals:					
Avg. Operating Beds.	84,145	82,700	82,700	81,500	79,700
End Point OP Beds...	82,960	81,900	81,900	80,700	78,900
(Census)....	(68,109)	(65,285)	(65,285)	(63,979)	(63,979)
Occupancy Rate.....	80.9	78.9	78.9	78.5	80.3
Length of Stay.....	22.6	22.4	22.4	22.2	22.2
Patients Treated.....	1,247,516	1,238,000	1,238,000	1,238,070	1,238,070
Admissions.....	1,182,603	1,172,715	1,172,715	1,174,091	1,174,091

Summary of Inpatient Workloads and Workload Indicators (Cont'd)

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
VA Domiciliaries:					
Avg. Operating Beds.	9,217	8,355	8,355	8,270	8,270
End Point OP Beds...	8,431	8,270	8,270	8,270	8,270
(Census)....	(7,894)	(7,520)	(7,520)	(7,520)	(7,520)
Occupancy Rate.....	85.6	90.0	90.0	90.9	90.9
Length of Stay.....	456.2	460.0	460.0	461.0	461.0
Patients Treated....	15,180	14,700	14,700	14,700	14,700
VA Nursing Homes:					
Avg. Operating Beds.	8,394	8,670	8,670	9,436	9,406
End Point OP Beds...	8,496	9,156	9,156	9,629	9,629
(Census)....	(7,933)	(8,237)	(8,237)	(8,919)	(8,888)
Occupancy Rate.....	94.5	95.0	95.0	94.5	94.5
Length of Stay.....	514.3	507.3	507.3	500.0	500.0
Patients Treated....	12,750	13,250	13,250	14,284	14,237
Total VA Facilities:					
Avg. Operating Beds.	101,756	99,725	99,725	99,206	97,376
End Point OP Beds...	99,887	99,326	99,326	98,599	96,799
(Census)....	(83,936)	(81,042)	(81,042)	(80,418)	(80,387)
Occupancy Rate.....	82.5	81.3	81.3	81.1	82.6
Length of Stay.....	25.8	25.0	25.0	24.7	24.7
Patients Treated....	1,275,446	1,265,950	1,265,950	1,267,054	1,267,007
Contract Hospitals:					
(Census)....	(1,213)	(1,160)	(1,160)	(1,061)	(1,061)
Length of Stay.....	15.7	14.7	14.7	14.7	14.7
Patients Treated...	29,456	30,000	30,000	26,733	26,733
Community Nursing Homes:					
(Census)....	(8,529)	(9,195)	(9,195)	(9,295)	(8,202)
Length of Stay.....	134.6	125.0	125.0	124.0	124.0
Patients Treated....	28,536	30,803	30,803	31,058	27,477
State Home Domiciliaries:					
(Census)....	(4,892)	(5,180)	(5,180)	(5,484)	(5,484)
Length of Stay.....	364.6	380.0	380.0	380.0	380.0
Patients Treated....	9,786	10,150	10,150	10,749	10,749
State Home Nursing Care:					
(Census)....	(5,586)	(6,200)	(6,200)	(6,366)	(6,366)
Length of Stay.....	456.4	434.5	434.5	425.5	425.5
Patients Treated....	10,053	11,283	11,283	11,638	11,638
State Home Hospitals:					
(Census)....	(929)	(1,000)	(1,000)	(1,000)	(1,000)
Length of Stay.....	66.9	67.4	67.4	67.4	67.4
Patients Treated....	5,994	5,530	5,530	5,170	5,170

Summary of Inpatient Workloads and Workload Indicators (Cont'd)

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
Total Non-VA:					
(Census)....	(21,149)	(22,735)	(22,735)	(23,206)	(22,113)
Patients Treated....	83,825	87,766	87,766	85,348	81,767
Totals VA and Non-VA:					
(Census)....	(105,085)	(103,777)	(103,777)	(103,624)	(102,500)
Patients Treated....	1,359,271	1,353,716	1,353,716	1,352,402	1,348,774

Medical Outpatient Visits - Staff and Fee
(Visits in thousands)

Outpatient Activity Compensation & Pension:					
Staff.....	288	294	294	295	265
Fee.....	86	89	89	89	89
Total.....	373	383	383	384	354
10-10 Exams:					
Staff.....	2,404	2,450	2,450	2,461	2,210
Fee.....	32	33	33	33	33
Total.....	2,436	2,483	2,483	2,494	2,243
All Other:					
Staff.....	13,060	13,310	13,268	13,373	11,954
Fee.....	2,102	2,177	2,177	2,177	2,177
Total.....	15,162	15,487	15,445	15,550	14,131
Total Visits:					
Staff.....	15,752	16,054	16,012	16,129	14,429
Fee.....	2,220	2,299	2,299	2,299	2,299
Total.....	17,972	18,353	18,311	18,428	16,728

Staff and Fee Outpatient Dental Program

Staff Exams.....	157,601	165,600	165,600	173,000	173,000
Staff Treatments.....	149,594	157,000	157,000	164,000	164,000
Fee Cases.....	71,550	78,000	78,000	46,991	46,991

CHAMPVA Workloads

Inpatient Census.....	432	426	426	426	426
Outpatient Fee Visits.	158,074	141,195	141,195	136,221	136,221

SUMMARY OF COSTS BY ACTIVITY

Activity	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
		(dollars in thousands)			
Medical Bed Sections	$1,963,097	$2,098,696	$2,081,465	$2,293,778	$2,213,283
Surgical Bed Sections	1,021,719	1,056,087	1,047,307	1,173,681	1,137,536
Psychiatric Bed Sections	854,135	923,483	916,295	1,020,137	982,415
VA Hospitals	3,838,951	4,078,266	4,045,067	4,487,596	4,333,234
VA Domiciliaries	84,923	86,626	86,466	93,749	92,098
VA Nursing Homes	218,906	244,880	244,561	282,833	278,692
Outpatient Care	1,139,345	1,239,114	1,233,886	1,363,730	1,220,780
Misc. Ben. & Svcs	121,978	132,539	132,300	140,068	137,901
Education & Training	301,888	319,065	318,983	347,005	340,975
VA Facilities	5,705,989	6,100,490	6,061,263	6,714,981	6,403,680
Contract Hospitals	73,841	77,255	77,255	77,809	77,809
State Home Hospitals	4,146	5,449	5,449	5,469	5,469
Community Nursing Homes	118,089	138,284	138,284	162,490	143,737
State Home Nursing	21,732	28,408	28,408	29,172	29,172
State Home Domiciliaries	11,673	13,002	13,002	13,738	13,738
CHAMPVA	36,308	47,297	47,297	51,478	51,478
(Inpatient)	(26,074)	(37,485)	(37,485)	(41,498)	(41,498)
(Outpatient)	(10,234)	(9,812)	(9,812)	(9,980)	(9,980)
Non-VA Facilities	265,789	309,695	309,695	340,156	321,403
Total Cost	5,971,778	6,410,185	6,370,958	7,055,137	6,725,083
Adjustment	-114,328	...	...	...	...
Total Obligations	5,857,450	6,410,185	6,370,958	7,055,137	6,725,083
Less Reimbursements	- 43,498	- 45,000	- 45,000	- 50,192	- 50,192
Lapse	18,087	...	...	...	...
Budget Authority	5,832,039	6,365,185	6,325,958	7,004,945	6,674,891
Supplemental Included		[345,172]	[305,945]		

PATIENT COST DATA

Activity	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
AVERAGE COST/PATIENT DAY:					
Medical Bed Sections	$159.10	$ 176.29	$ 174.84	$ 197.83	$ 190.88
Surgical Bed Sections	208.65	235.08	233.13	264.26	256.13
Psychiatric Bed Sections	111.03	124.26	123.29	139.44	134.28
Average All VA Hospitals	154.00	171.15	169.75	192.17	185.56
VA Domiciliaries	29.39	31.56	31.50	34.16	33.55
VA Nursing Homes	75.39	81.45	81.34	86.88	85.91
Contract Hospitals	160.05	175.36	175.36	192.89	192.89
Community Nursing Homes	36.96	40.33	40.33	47.01	47.01
State Home Domiciliaries	5.50 1/	6.35	6.35	6.35	6.35
State Home Nursing	10.16	12.10	12.10	12.10	12.10
State Home Hospitals	10.52	13.25	13.25	13.25	13.25
COST/PATIENT TREATED:					
Medical Bed Sections	$2,688	$2,898	$2,874	$3,168	$3,056
Surgical Bed Sections	3,101	3,231	3,204	3,590	3,479
Psychiatric Bed Sections	4,548	4,940	4,902	5,456	5,254
Average All VA Hospitals	3,077	3,294	3,267	3,625	3,500
VA Domiciliaries	5,594	5,893	5,882	6,377	6,265
VA Nursing Homes	17,169	18,482	18,457	19,801	19,575
Contract Hospitals	2,412	2,475	2,475	2,794	2,794
Community Nursing Homes	4,043	4,395	4,395	5,135	5,121
State Home Domiciliaries	1,098	1,183	1,183	1,183	1,183
State Home Nursing	2,067	2,427	2,427	2,416	2,416
State Home Hospitals	597	875	875	935	935

1/ Per diem reflects statutory limitations.

COSTS BY OBJECT

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
		(dollars in thousands)			
10 PERSONAL SERVICES AND BENEFITS:					
Nurses	$ 685,083	$ 736,264	$ 731,910	$ 754,313	$ 731,979
Dentists	50,470	56,724	56,394	58,837	58,393
Physicians	620,880	734,531	730,184	773,567	758,306
Psychologists	48,018	51,605	50,121	52,526	49,944
Wage Rate	658,853	739,233	735,068	780,865	775,945
Purchase & Hire	8,384	9,010	8,953	9,138	9,072
Other Personnel	1,762,302	1,897,711	1,883,303	1,927,539	1,851,274
Sub-Real Estate, etc.	6,317	7,040	7,040	7,846	7,846
Employee Comp. Payments	30,126	35,535	35,535	39,809	39,809
Sub-Total	3,870,435	4,267,653	4,238,508	4,404,440	4,282,568
21 TRAVEL:					
Employee	4,078	5,726	5,726	6,695	6,695
Beneficiary	73,610	84,992	84,992	92,955	84,143
Interagency Mot. Pools	4,459	5,675	5,675	6,356	6,356
Other	1,348	1,983	145	2,391	970
Sub-Total	83,495	98,376	96,538	108,397	98,164
22 TRANSPORTATION OF THINGS:					
Shipment of Household Goods	5,044	6,105	6,105	7,213	6,926
Other Transportation	7,297	9,126	9,126	10,080	9,729
Sub-Total	12,341	15,231	15,231	17,293	16,655
23 RENT, COMMUNICATIONS & UTILITIES:					
Motion Picture Film	119	145	145	183	172
Rental of Equipment	7,962	8,394	7,855	10,177	8,984
Communications	51,893	60,898	60,898	74,921	71,166
Utilities	117,872	138,190	138,190	171,970	162,924
GSA Basic Space Rental (SLUC)	15,337	18,783	18,783	22,689	22,289
GSA Special Space Svcs	130	990	990	990	990
Other Real Property Rental	2,938	4,564	4,320	4,564	3,280
Sub-Total	196,251	231,964	231,181	285,494	269,805
24 PRINTING & REPRODUCTION	6,345	7,759	7,759	9,120	9,120
25 OTHER SERVICES:					
Outpatient Dental Fees	53,086	59,000	59,000	37,189	37,189
Medical & Nursing Fees	105,440	115,774	115,774	126,284	126,284
Repairs to Furniture & Equipment	23,933	29,215	29,215	35,302	33,720
M&R Contractual Svcs	73,345	80,685	80,685	98,320	87,384
Incentive Therapy	4,440	4,704	4,704	5,002	4,924
Contract Hospitalization	71,046	74,247	74,247	74,700	74,700
Community Nursing Home	115,382	135,369	135,369	159,475	140,722
Repairs to Prosthetic Appliances	6,631	7,185	7,185	7,591	7,486
Other Contractual Svcs	145,288	156,218	156,218	176,949	161,240
CHAMPVA	36,308	47,297	47,297	51,478	51,478
Sub-Total	634,899	709,694	709,694	772,290	725,127

In accordance with OMB Circular A-10 [illegible] of the budget material [illegible] in any form [illegible] transmitted by the President.

COSTS BY OBJECT (Continued)

	1980 Actual	1981 January	1981 Revised	January January	January Revised
		(dollars in thousands)			
26 SUPPLIES AND MATERIALS:					
Provisions	$ 87,632	$ 92,754	$ 92,754	$ 99,356	$ 97,649
Drugs & Medicines	250,438	273,391	273,391	313,503	295,176
Blood & Blood Products	16,941	18,114	18,114	19,527	18,318
Medical & Dental Supplies	201,157	223,977	223,977	269,559	251,361
Fuels	22,680	27,205	27,205	32,279	28,921
Operating Supplies	91,364	99,659	98,141	111,521	101,014
M&R Supplies	56,465	60,917	60,917	73,167	61,413
Linens & Uniforms	19,256	20,425	20,425	23,493	22,665
Office Supplies	18,596	19,992	19,992	22,106	14,294
Prosthetic Appliances	62,264	69,199	69,199	79,069	73,106
Fee Prescriptions	10,796	13,177	13,177	14,277	14,277
Sub-Total	837,587	918,810	917,292	1,057,817	978,194
31 EQUIPMENT:					
Replacement	83,510	25,558	24,853	117,787	103,136
Additional	120,759	69,060	65,426	129,637	107,031
Sub-Total	204,269	94,618	90,279	247,424	210,167
32 LANDS & STRUCTURES:					
Replacement	50,574	16,027	16,027	69,172	57,830
Additional	40,478	5,829	4,225	38,028	31,791
Sub-Total	91,052	21,856	20,252	107,200	89,621
41 GRANTS, SUBSIDIES & CONTRIBUTIONS	35,104	44,224	44,224	45,662	45,662
TOTAL COSTS	5,971,778	6,410,185	6,370,958	7,055,137	6,725,083

Education and Training

Residency and Other Training Programs, Medical Care

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
Average Employment (PTEE):					
Physician House Staff*....	3,246	3,267	3,267	3,279	3,279
Specialized Fellows	42	82	82	92	74
Dentist House Staff*.....	148	151	151	151	151
Associated Health Trainees	762	873	873	903	827
Administrative Trainees...	238	316	316	266	266
Sub-Total Trainees.....	4,436	4,689	4,689	4,691	4,597
VAMC Instructional Support	3,183	3,059	3,059	3,092	3,059
Total Average Employment.....	7,619	7,748	7,748	7,783	7,656
Cost (In thousands):					
Physician House Staff....	$138,756	$151,626	$151,626	$162,850	$162,850
Specialized Fellows.....	1,587	3,860	3,860	4,352	3,640
Dentist House Staff.....	5,702	6,327	6,327	6,727	6,727
Associated Health Trainees	8,664	9,692	9,692	10,442	8,798
Administrative Trainees..	5,059	6,602	6,602	6,072	6,072
Sub-Total Trainees.....	159,768	178,107	178,107	190,443	188,087
VAMC Instructional Support	89,891	84,776	84,776	86,612	85,773
Total Cost.....	249,659	262,883	262,883	277,055	273,860
Number of Trainees:					
Medical House Staff.....	24,304	25,000	25,000	25,075	25,075
Medical Students.....	20,614	20,600	20,600	20,600	20,600
Dental House Staff.....	684	700	700	700	700
Dental Students.....	1,085	1,100	1,100	1,100	1,100
Nursing.....	27,648	27,700	27,700	27,700	27,700
Associated Health Professions & Occupations.....	21,561	21,600	21,600	21,810	21,490
Administrative.....	789	800	800	750	750
Total estimated number of Trainees.....	96,685	97,500	97,500	97,735	97,415
Percent of Trainees participating on a "without pay basis".....	81%	81%	81%	81%	81%

NON-VA PROGRAM SUMMARY

	1980 Actual	1981 Estimate Budget	1981 Estimate Current	1982 Estimate	Net Change 82 vs 81 Total	Census	Per Diem	Support
			(dollars in thousands)					
Contract Hospitals:								
Census	1,213	1,061	1,160	1,061	- 99			
Per Diem	$ 160.05	$ 175.36	$ 175.36	$ 192.89	$+ 17.53			
Direct Cost	$ 71,046	$ 67,910	$ 74,247	$ 74,700	$+ 453			
Support Cost	2,795	1,844	3,008	3,109	+ 101			
Total Cost	73,841	69,754	77,255	77,809	+ 554	$-6,970	$+ 7,423	$+ 101
FTEE (support)	179	119	179	179	...			
Community Nursing:								
Census	8,529	8,300	9,195	9,295	+ 100			
Per Diem	$ 36.96	$ 41.79	$ 40.33	$ 47.01	$+ 6.68			
Direct Cost	$115,382	$126,607	$135,369	$159,475	$+24,106			
Support Cost	2,707	1,753	2,915	3,015	+ 100			
Total Cost	118,089	128,360	138,284	162,490	+24,206	$+1,716	$+22,390	$+ 100
FTEE (support)	173	113	173	173	...			
State Home Doms:								
Census	4,892	5,531	5,180	5,484	+ 304			
Per Diem 1/	$ 5.50	$ 6.35	$ 6.35	$ 6.35	...			
Direct Cost	$10,747	$ 12,819	$ 12,006	$ 12,711	$+ 705			
Support Cost	926	671	996	1,027	+ 31			
Total Cost	11,673	13,490	13,002	13,738	+ 736	$+ 705	...	$+ 31
FTEE (support)	59	43	59	59	...			
State Home Nursing:								
Census	5,586	6,200	6,200	6,366	+ 166			
Per Diem 1/	$ 10.16	$ 12.10	$ 12.10	$ 12.10	...			
Direct Cost	$20,778	$ 27,382	$ 27,382	$ 28,115	$+ 733			
Support Cost	954	591	1,026	1,057	+ 31			
Total Cost	21,732	27,973	28,408	29,172	+ 764	$+ 733	...	$+ 31
FTEE (support)	61	38	61	61	...			
State Home Hospitals:								
Census	929	1,000	1,000	1,000	...			
Per Diem 1/	$ 10.52	$ 13.25	$ 13.25	$ 13.25	...			
Direct Cost	$ 3,578	$ 4,836	$ 4,836	$ 4,836	...			
Support Cost	568	390	613	633	$+ 20			
Total Cost	4,146	5,226	5,449	5,469	+ 20	...	...	$+ 20
FTEE (support)	36	25	36	36	...			
Total Support Cost	$ 7,950	$ 5,249	$ 8,558	$ 8,841	$+ 283			
Total FTEE (support)	508	338	508	508	...			
Total State Home Direct Care	$35,104	$ 45,037	$ 44,224	$ 45,662	$+ 1,438	+$1,438	...	...

1/ Statutory per diem in estimate years.

CONTRACT HOSPITALS
Total Costs, Patient Census, Patients Treated and Patient Day Costs

	1980 Actual			1981 Estimate			1982 Estimate			Net Change 1982 + or - 1981		
	Total Cost	Census	Per Diem	Total Cost	Census	Per Diem	Total Cost	Census	Per Diem	Total Cost	Census	Per Diem
	(dollars in thousands)											
NON-FEDERAL HOSPITALS:												
Juneau, AK.....	$17,046	83	$560.32	$14,300	70	$559.69	$12,023	54	$609.99	$-2,277	- 16	$+ 50.30
Honolulu, HI.....	1,415	48	81.81	1,556	52	81.98	1,551	50	84.99	- 5	- 2	+ 3.01
Manila, PI.....	287	53	14.75	275	50	15.07	298	48	17.01	+ 23	- 2	+ 1.94
San Juan, PR.....	11,385	561	55.48	11,262	551	56.00	11,498	525	60.00	+ 236	- 26	+ 4.01
All Other.....	31,676	376	229.88	36,471	353	283.06	39,155	302	355.21	+2,684	- 51	+ 72.15
Sub-Total, Non-Federal.....	61,809	1,121	150.70	63,864	1,076	162.61	64,525	979	180.57	+ 661	- 97	+ 17.96
FEDERAL HOSPITALS:												
United States Army..	7,741	78	272.35	9,564	76	344.77 1/	9,460	75	345.57 1/	- 104	- 1	+ .80
United States Air Force.....	1,027	8	355.82	624	6	285.00	520	5	285.00	- 104	- 1	...
United States Navy..	127	1	300.58	104	1	285.00	104	1	285.00	...	...	...
Health & Human Services.....	330	5	187.31	91	1	250.00	91	1	250.00	...	...	...
Panama Canal Zone...	12	1	46.33	...	...	...	...	...	...	...	...	...
Sub-Total, Federal.	9,237	92	273.67	10,383	84	338.65	10,175	82	339.96	- 208	- 2	+ 1.31
Total Direct Care..	71,046	1,213	160.05	74,247	1,160	175.36	74,700	1,061	192.89	+ 453	- 99	+ 17.53
Support.....	2,795			3,008			3,109			+ 101		
Total Cost.....	73,841			77,255			77,809			+ 554		
AVERAGE EMPLOYMENT (Support).....	179			179			179			...		
PATIENTS TREATED....	29,456			30,000			26,733			-3,267		

1/ Includes 8 Census @ $853.00 per diem at Brooke AMC Burn Unit and the remaining Census @ $285.00 per diem.

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Actual Outpatient Medical and Dental Fee Costs

Fiscal Year	Cost Per Medical Fee Visit	Dental Fee Cost Per Completed Case		Dental Svc Fee
		Examinations	Treatment	
1960.....	$ 6.34	$16.57	$131.00	
1961.....	6.39	17.90	135.58	
1962.....	6.44	18.92	147.92	
1963.....	6.28	18.32	147.06	
1964.....	6.33	17.94	150.90	
1965.....	6.62	16.88	152.17	
1966.....	6.84	21.00	162.59	
1967.....	7.63	24.70	173.98	
1968.....	8.33	28.22	208.37	
1969.....	9.10	27.39	206.45	
1970 1/....	10.24	28.00	198.44	
1971.....	11.73	29.23	258.70	
1972.....	11.86	25.26	283.84	
1973.....	13.02	25.46	318.16	
1974.....	14.58	...	...	$305.19
1975.....	16.19	...	...	404.21
1976.....	18.41	...	...	469.17
1977.....	20.97	...	...	480.77
1978.....	22.63	...	...	505.97
1979.....	25.12	...	...	579.67
1980.....	30.48	...	...	762.57

1/ Fee dental costs include obligations for cases authorized during the year starting in FY 1970.

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VETERANS ADMINISTRATION
MEDICAL AND PROSTHETIC RESEARCH

APPROPRIATION LANGUAGE

For necessary expenses in carrying out programs of medical and prosthetic research and development, as authorized by law, to remain available until September 30, [1982, $132,153,000] 1983, ~~$155,381,000~~, plus reimbursements.
$145,699,000

Explanation of Language Change

No change is proposed in the appropriation language for fiscal year 1982.

APPROPRIATION HIGHLIGHTS

	1980 Actual	1981 Estimate	1982 Estimate	Increase (+) Decrease (-)
		(dollars in thousands)		
Major Program:				
Medical Research	$115,388	~~$127,600~~ $126,290	~~$140,523~~ $132,535	~~+ 12,843~~ + 6,245
Rehabilitative Research	7,306	~~9,140~~ 8,713	~~10,185~~ 9,421	~~+ 1,045~~ + 708
Health Services Research	3,153	~~3,250~~ 3,245	~~4,673~~ 3,743	~~+ 1,423~~ + 498
Appropriation	125,847	~~140,070~~ 138,248	~~155,381~~ 145,699	~~+ 15,311~~ + 7,451
Obligations	133,357 1/	~~147,270~~ 145,448	~~162,581~~ 152,899	~~+ 15,311~~ + 7,451
Costs	137,665 1/	~~147,270~~ 145,448	~~162,581~~ 152,899	~~+ 15,311~~ + 7,451
Outlays	132,281 1/	~~139,816~~ 137,994	~~155,381~~ 145,699	~~+ 15,565~~ + 7,705
Average Employment	4,360	~~4,443~~ 4,369	~~4,601~~ 4,293	~~+ 158~~ - 76

1/ Includes obligations of $1,173,000, costs of $1,365,000, and outlays of $1,369,000 which are reflected in the President's Budget under account title "Consolidated Working Fund".

Summary of Budget Request

$145,699,000

Congress is being requested to appropriate ~~$155,381,000~~ in fiscal year 1982 for $7,451,000 the Medical and Prosthetic Research appropriation, an increase of ~~$15,311,000~~ over the prior year appropriation. This request reflects an increase of ~~$12,843,000~~ in Medical $6,245,000 Research, an increase of ~~$1,045,000~~ in Rehabilitative Research and an increase of $708,000 ~~$1,423,000~~ in Health Services Research.
$498,000

Changes from original FY 1981 Budget Estimates

	Budget Estimate	1981 Current Estimate	Increase (+) Decrease (-)
		(dollars in thousands)	
Major Programs:			
Medical Research	$117,669	~~$127,680~~ $126,290	~~$+ 10,011~~ $+ 8,621
Rehabilitative Research	8,784	~~9,140~~ 8,713	~~+ 356~~ - 71
Health Services Research	3,043	~~3,250~~ 3,245	~~+ 207~~ + 202
Appropriation	129,496	~~140,070~~ 138,248	~~+ 10,574~~ + 8,752
Obligations	136,696	~~147,270~~ 145,448	~~+ 10,574~~ + 8,752
Costs	136,696	~~147,270~~ 145,448	~~+ 10,574~~ + 8,752
Outlays	129,496	~~139,816~~ 137,994	~~+ 10,320~~ + 8,498
Average employment	4,418	~~4,443~~ 4,369	~~+ 25~~ - 49

~~$8,752,000~~ The fiscal year 1981 ~~$10,574,000~~ amended budget estimate ~~$140,070,000~~ $138,248,000 of $129,496,000 has been increased by ~~$10,574,000~~ $8,752,000 to a level of $2,657,000 was added by Congressional action and $7,917,000 is required for the October 5, 1980 pay raise. ~~In addition, FTEE requirements have increased by 25 to a level of 4,443. Of the 25 FTEE increased, 3 FTEE are for research activities related to Agent Orange and 22 FTEE are for Preventive Health~~.

Analysis of Increases and Decreases (dollars in thousands)

		Estimate 1981	Estimate 1982
Prior Year Costs		$137,665	~~$147,270~~ $145,448
Investigator - initiated	- 2,716	~~+ 1,520~~	~~+ 3,893~~ + 2,854
Special emphasis	+ 3,232	~~+ 43~~	~~+ 1,708~~ + 1,091
Priority areas	+ 1,899	~~+ 1,828~~	~~+ 4,550~~ + 700
Cooperative studies		+ 1,273	~~+ 1,100~~ + 800
Career development		+ 2,337	~~+ 1,300~~ + 500
Reimbursable program (medical)		+ 719	...
Rehabilitative research	+ 1,159	~~+ 1,580~~	~~+ 1,045~~ + 708
Health service research	+ 164	~~+ 169~~	~~+ 1,423~~ + 498
Agent Orange		+ 216	+ 300
Estimate		145,448 ~~147,270~~	152,899 ~~162,581~~

Costs are expected to increase by ~~$15,311,000~~ $7,451,000 in FY 1982 over FY 1981. While a good portion of the FY 1982 increase ~~$15,307,000~~ ~~(66,676,000)~~ will be required to compensate for uncontrollables, ~~the requested resources will provide for modest expansion of the Cooperative Studies and Career Development Programs. In addition, increased activities will be possible in Investigator Initiated, Special Emphasis and High Priority research areas~~.

GENERAL STATEMENT

The following program activities are funded from this appropriation:

Medical Research. This research is directed toward the solution of problems related to the medical and dental care of veterans including those arising in spinal cord injury and related paralyses. It is conducted largely in the facilities of the Veterans Administration and is closely related to the retention and effective utilization of physicians and other health care providers. Excluded from this estimate are the costs of research construction projects, which are funded from the agency's construction appropriations. A reimbursable agreement between the Veterans Administration and the National Cancer Institute provides for the operation of a collaborative program for various investigations into the etiology, diagnosis, and treatment of cancer.

Rehabilitative Research. This program focuses upon rehabilitative engineering problems in the field of prosthetics, orthotics, adaptive equipment for vehicles, sensory aids and related areas. It is the principal focal point for research and development leading to new or improved devices and techniques to assist the disabled. It is also involved in the establishment of Rehabilitative Engineering Research and Development Centers to complement the medical staff at Veterans Administration Medical Center's by providing engineering support for clinical problems in rehabilitation.

Health Services Research. This program seeks solutions to problems of the organization, effectiveness, economy and accessibility of health care services. This activity includes: development and testing of delivery systems and subsystem models; assessment of new technologies and their application to health care delivery; and development of new methods to evaluate the quality of care and management practices.

MEDICAL AND PROSTHETIC RESEARCH
COST-OUTLAYS RECONCILIATION

	1980	1981		1982	
	Actual	January	Revised	January	Revised
	(dollars in thousands)				
Costs:					
Medical Research	$127,030	$134,880	$133,490	$147,723	$139,735
Rehabilitative Research	7,554	9,140	8,713	10,185	9,421
Health Services Research	3,081	3,250	3,245	4,673	3,743
Total	137,665	147,270	145,448	162,581	152,899
Change in Selected Resources	-4,308	...	...	...	...
Obligations:					
Medical Research	122,841	134,880	133,490	147,723	139,735
Rehabilitative Research	7,496	9,140	8,713	10,185	9,421
Health Services Research	3,020	3,250	3,245	4,673	3,743
Total	133,357	147,270	145,448	162,581	152,899
Reimbursements:					
Cancer Chemotherapy	- 3,391	- 3,225	- 3,225	- 3,225	-3,225
Direct Grants	- 578	- 1,225	- 1,225	- 1,225	-1,225
Other Medical	- 2,512	- 2,750	- 2,750	- 2,750	-2,750
Rehabilitative	- 317	...	...	...	...
Total	- 6,798	- 7,200	- 7,200	- 7,200	-7,200
Unobligated Balance:					
Beginning of Year:					
Medical Research	- 1,501	- 354	- 354	- 354	- 354
Rehabilitative Research	- 65	- 192	- 192	- 192	- 192
Health Services Research	- 89	- 222	- 222	- 222	- 222
Total	- 1,655 1/	- 768	- 768	- 768	- 768
End of Year:					
Medical Research	354	354	354	354	354
Rehabilitative Research	192	192	192	192	192
Health Services Research	222	222	222	222	222
Total	768	768	768	768	768
Unobligated Balance Lapsing	175	...	...	...	...
Budget Authority:					
Medical Research	115,388	127,680	126,290	140,523	132,535
Rehabilitative Research	7,306	9,140	8,713	10,185	9,421
Health Services Research	3,153	3,250	3,245	4,673	3,743
Total	125,847	140,070	138,248	155,381	145,699
Obligated Balance:					
Beginning of Year	+ 24,486 2/	+ 18,765	+18,765	+ 19,019	+19,019
End of Year	- 18,765	- 19,019	-19,019	- 19,019	-19,019
Outlays	132,281	139,816	137,994	155,381	145,699

1/ Includes $1,173,000 unobligated balance transferred from Consolidated Working Fund.
2/ Includes $196,000 transferred to this account.

MEDICAL RESEARCH

JUSTIFICATION OF ESTIMATES

$132,535,000

The estimate provides for a funding level of ~~$140,523,000~~ in FY 1982, an increase of ~~$12,843,000~~ over the FY 1981 level. While a good portion of the FY 1982 increase will be required to compensate for increased usage and inflation, the requested resources will provide for modest expansion of the Cooperative Studies and Career Development Programs.

$6,245,000

~~In addition, increased research activities in the Investigator-Initiated and Special Emphasis areas will be possible.~~ There will also be an increase in the high priority research relating to schizophrenia, aging, alcoholism, regeneration and spinal cord injury, and delayed stress disorders. ~~In each high priority area, research efforts initiated in FY 1979, 1980, and 1981 will be expanded.~~ In addition, funds will be available to increase research activities relating to Herbicide Orange.

~~The Investigator-Initiated programs will have improved support with twenty new programs being initiated.~~

~~Five new studies can be started in the Special Emphasis areas.~~

~~In the Career Development Program an additional 10 programs can be initiated costing $800,000.~~

The Cooperative Studies Program can begin one or two new studies for an additional $600,000.

Specific expanded efforts will be possible in the High Priority Programs and Herbicide Orange as detailed below:

(1) Schizophrenia destroys the effectiveness of more than 10,000 veterans and is a major problem among Vietnam era veterans. In addition to veterans, there are more tens of thousands suffering from this complex disease. The VA already has contributed extensively to the treatment of schizophrenia by determing the proper use of effective drugs.

(2) Alcoholism is a primary or secondary diagnosis in over one-third of veteran patients, and a major affliction in the non-veteran population. Ninety-nine VA medical centers with specialized inpatient alcohol dependence treatment units treat some 2,200 patients each day. Ten new programs have been targeted for research in the VA in FY 1982 to find out why people drink, how alcohol is handled by the cell and how it "gets a handle" on the person - in short, research will be undertaken to find the causes of alcoholism. ~~Equipment and laboratories costing $1,000,000 are required to detect how alcohol enters cells through the surface membrane and changes the cell's ability to survive and carry out normal functions.~~

(3) Aging veterans constitute the most rapidly escalating percentage of veteran patients and their needs and disabilities are representative of the national elderly population. ~~Current mandates to increase aging research, both in the eight Geriatric Research, Education and Clinical Centers (GRECC) and in all the other VA medical centers with on-going aging research programs, makes an increase in funds essential. An increase of $1,666,000 will expand and increase the number of basic and clinical research programs that are organizationally aligned as GRECC's as required by Public Law 96-330.~~

(4) Amputees and spinal cord injured patients are the most drastically disabled of veterans and face radical living changes. The Veterans Administration supports 19 centers for Spinal Cord Injury. Functional regeneration of nerve fibers would go a long way to restoring aging brains. Recent research in animals has documented the ability of nerves in the brain to sprout, and of transplanted brain fragments to

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establish functional connections. Immunologic advances encourage the prospects of successful transplantation of larger and more complex tissue masses and the isolation of growth factors offers the hope for stimulating limb regeneration. In FY 1980, specifically focused programs dealing with this important area were identified and fully funded. ~~In addition, in FY 1981 an Office of Regeneration Research will be established to enhance the agency's regeneration research effort. In FY 1982, an additional $1,070,000 will expand the activities of this office and permit increased research in this area.~~

(5) Delayed stress disorders may afflict Vietnam era veterans as well as others who have experience stress and trauma. The Veterans Administration is identifying and treating prolonged and acute symptoms in Vietnam era veterans, and there is no foreseeable limit to the numbers of victims of such problems. After World War II, combat fatigue syndromes and anxiety reactions appeared from seven to 15 years later. Expanded capabilities in behavioral clinics and laboratories are required to study the physical and biological changes that accompany these behavioral disturbances, to document the effectiveness of treatment, the duration of related disabilities and the need for individualized assistance in developing coping strategies that permit reentry into society. ~~This effort will continue in FY 1981 and will be expanded in FY 1982 with an additional $214,000.~~

(6) Concerns about the possible health effects of dioxin and the herbicides containing them - especially concerns about Herbicide Orange obligate the Federal government to do everything possible to establish the facts about the effects of these chemicals on humans. A study was initiated in FY 1981 to look at this problem. In FY 1982, an increase of $300,000 will permit one additional study.

BUDGET AUTHORITY

	FY 1981 estimate	FY 1982 estimate	Difference
A. Investigator-initiated.....	~~71,472~~ $ ~~75,708~~	~~74,326~~ $ ~~79,601~~	~~2,854~~ $ + ~~3,893~~
B. Special Emphasis.....	~~25,275~~ ~~22,000~~	~~24,366~~ ~~23,700~~	~~1,091~~ + ~~1,700~~
C. Career Development.....	13,259	~~13,759~~ ~~14,559~~	~~500~~ + ~~1,300~~
D. Cooperative Studies.....	10,513	~~11,313~~ ~~11,613~~	~~800~~ + ~~1,100~~
E. Priority Research Areas....	~~5,555~~ ~~5,984~~	~~6,255~~ ~~10,534~~	~~700~~ + ~~4,550~~
F. Herbicide Orange.....	216	516	+ 300
Total	~~$127,680~~ 126,290	~~$140,523~~ 132,535	$ + ~~12,843~~ 6,245

PROGRAM HIGHLIGHTS

Medical Research within the Veterans Administration is a unique Federal intramural program in which clinician-investigators at VA medical centers study problems arising during their care of veteran patients. Non-clinician scientists in VA medical centers work in close collaboration with clinicians and support their research efforts. This teamwork assures the strongest scientific base for attacking relevant clinical-research problems and affords the mechanism for technological transfer b those with first-hand experience and knowledge of the health problems of veterans. Alcoholism, schizophrenia, delayed stress disorders along with loss of limbs and spinal cord injury are high priority problems in veteran patients. Chronic obstructive lung disease, coronary artery disease, diabetes, and aging are the major unsolved problems for veteran and non-veteran patients alike. In this largest health care delivery system, good clinical research means high quality care for veteran patients, the ready application of investigation findings to patient treatment, the recruitment and retention of inquiring clinicians and scientists and significant contributions by the VA to health concerns of all citizens, both veterans and non-veterans.

The 129 VA medical centers where some 4,100 staff members currently conduct research are dispersed throughout the United States. These clinicians and scientists usually teach in medical and other professional schools and are members of the local health care communities. They share the concerns of their colleagues and disseminate their research results to clinicians and investigators alike. VA research has defined the role of new hormones from the brain and pancreas - information that can revolutionalize the treatment of diabetes and other diseases. The more widespread this research remains throughout the VA system of medical centers, the more effectively it can contribute to the generation and dissemination of new knowledge, and thus have an immediate impact on improving the quality of care for veterans.

Despite their dispersed and community-oriented nature, VA health care facilities form a coherent system and participate in a unified research effort. The intramural characteristic makes feasible the cooperative clinical research programs that have defined the optimal treatment for tuberculosis, serious mental disease, and hypertension. The two former programs dramatically reduced the need for hospital beds; the latter program reduces the devastating effects of high blood pressure. The more research-oriented the facilities in the VA remain, the more productive such cooperative research will be.

Awards and Honors. During the fiscal year, several VA researchers received recognition on a national and international level, including the following:

International Awards. Dr. Andrew V. Schally, Senior Medical Investigator, VA Medical Center, New Orleans received Brazil's highest decoration, the National Order of the Southern Cross, for his basic research in hypothalamic hormones. Dr. Juan del Regato, Distinguished Physician, VA Medical Center, Tampa was awarded the Prix Bruninghaus by the National Academy of Medicine in Paris, France for his cancer research.

Dr. Betty G. Uzman, Staff Physician, VA Medical Center, Memphis received the insignia of the Order of Andres Bello, First Class from the government of Venezuela in recognition of her contributions to medical science and research in the fields of pathology and neuroscience. Dr. Hubert Pipberger, Chief of the VA Research Center for Cardiovascular Data Processing at the VA Medical Center, Washington, D.C was recognized by the International Federation for Information Processin with its First Award of Distinction.

Middleton Award. The VA's highest honor for medical research, the William S. Middleton Award, was given to Dr. Edward D. Freis, VA Medical Center, Washington, D.C. Dr. Freis was recognized for his work in cardio-vascular hemodynamics and transcapillary movement of fluids and solutes, for major contributions to the understanding of the pathophysiology of essential hypertension, and for demonstrating the life saving impact of medical management of hypertension.

American Podiatry Association. Dr. Daniel McCarthy of the VA Medical Center, Perry Point, Maryland received the William J. Stickel Silver Award for research by the American Podiatry Association. Dr. McCarthy has now received all the different research awards presented by this group.

Honorary Degree. Dr. Abba J. Kastin, Chief of Endocrinology at the VA Medical Center, New Orleans received the highest honorary degree (Honoris Causa) from the National University Federico Villarreal in Lima, Peru for his application of brain hormone research to the clinical setting.

Research Career Scientists. Seven VA scientists were recognized this year, bringing to fifty-two the number who have been awarded the title of Research Career Scientist. This recognition is based on their national and international contributions to medical science as well as their roles in support of the clinical and research programs in their local Veterans Administration medical centers.

Cooperative Studies. VA Cooperative Studies are multi-hospital programs in which investigators at different VA medical centers study important medical problems of veteran patients in a uniform manner under a common protocol. By the end of the year, 26 studies were in progress, 4 of which were initiated in FY 1980. Another 20 studies were being planned and the results of 9 were being analyzed. Five cooperative studies were completed and 18 manuscripts were submitted to leading scientific Journals.

A study to establish whether vasodilator therapy has long term efficacy in some or all patients with chronic congestive heart failure is being conducted in 10 medical centers. Since heart failure develops in the natural history of all common forms of heart disease, it is one of the most prevalent cardiac conditions treated at VA medical centers. Consequently, the impact of demonstrating the effectiveness of this new form of therapy will be considerable.

A study was initiated to evaluate the efficacy and safety of a new drug in the treatment of chronic urinary infection and infection induced urinary stones in veterans with spinal cord injury. Chronic renal failure that accompanies the progressive pathological processes is the number one cause of death in this group of veterans. A successful outcome of this investigation could provide an effective treatment to arres this course of events. Six VA medical centers are participating in a four year study.

A cooperative study comparing low cost base metal alloys with gold for use in fabrication of dental restorations has been initiated in 6 medical centers. Performance of the alloys in tissue compatability, attrition and wear will be evaluated. If this study demonstrates that base metal alloys can be used effectively in place of gold, it will result in major cost savings to the VA.

Medical Research - Summary of Employment and Costs by Sub-Activity

	1980 Actual	1981 Budget Estimate	1981 Current Estimate	1982 Estimate	Increase (+) Decrease (-)
Employment by Sub-Activity (Average FTEE):					
Investigator-Initiated...	2,527	2,362	2,002 ~~2,465~~	1,937 ~~2,555~~	- 65 ~~+ 90~~
Special Emphasis.....	749	749	1,136 ~~749~~	1,099 ~~749~~	- 37 ~~...~~
Priority Areas.....	84	84	136 ~~84~~	160 ~~84~~	+ 24 ~~...~~
Cooperative Studies.....	379	405	405	403 ~~420~~	- 2 ~~+ 15~~
Career Development.....	255	301	301	301 ~~316~~	~~+ 15~~
Reimbursable Programs....	170	270	170	170	...
Total Employment.....	4,164	4,171	4,150 ~~4,174~~	4,070 ~~4,294~~	- 80 ~~+ 120~~
Costs by Sub-Activity (in thousands):					
Investigator-Initiated...	$74,188	$72,642	71,472 ~~$75,708~~	74,326 ~~$79,601~~	$+ 3,854 ~~3,893~~
Special Emphasis.....	22,043	21,063	25,275 ~~23,000~~	24,366 ~~23,700~~	+ 1,091 ~~1,700~~
Priority Areas.....	4,156	2,344	5,555 ~~5,984~~	6,255 ~~10,534~~	+ 700 ~~4,550~~
Cooperative Studies.....	9,240	9,820	10,513	11,313 ~~11,613~~	+ 800 ~~1,100~~
Career Development.....	10,922	11,800	13,259	13,759 ~~14,559~~	+ 500 ~~1,300~~
Reimbursable Programs....	6,481	7,200	7,200	7,200	...
Agent Orange.....	...	...	216	516	+ 300
Total Costs.....	127,030	124,869	133,490 ~~134,886~~	139,735 ~~147,729~~	+ 6,245 ~~12,843~~

Medical Research - Summary of Employment and Costs by Object

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
Employment (Average FTEE):					
Physicians	184	203	203	213	213
Dentists	17	18	18	18	18
Nurses	113	110	110	120	120
Research Psychologists	87	82	82	82	82
Wage Rate Employees	186	197	197	197	197
Purchase and Hire	2	1	1	1	1
Other Personnel	3,575	3,563	3,539	3,663	3,439
	4,164	4,174	4,150	4,294	4,070
Average Payroll Cost	$21,063	$22,961	$22,864	$22,954	$ 22,875
Costs by Object:		(dollars in thousands)			
10 Personal Services and Benefits:					
Physicians	$ 8,354	$ 9,932	$ 9,932	$10,189	$ 10,189
Dentists	869	956	956	986	986
Nurses	2,496	2,746	2,746	2,996	2,996
Research Psychologists	3,087	3,396	3,396	3,430	3,430
Wage Rate Employees	3,154	3,870	3,870	3,909	3,909
Purchase and Hire	59	65	65	65	65
Other Personnel	69,673	74,858	73,903	76,971	71,507
Sub., Real Estate, etc.	16	18	18	18	18
Sub-Total	87,708	95,841	94,886	98,564	93,100
21 Travel & Transportation of Persons:					
Employee Travel	963	1,249	1,149	1,464	1,364
Beneficiary Travel	155	156	156	162	162
Interagency Motor Pool	19	17	17	21	21
Other	16	29	29	33	33
Sub-Total	1,153	1,451	1,351	1,680	1,580
22 Transportation of Things	283	286	286	314	314
23 Communication, Utilities, and Other Rent	1,020	1,127	1,127	1,271	1,271
24 Printing & Reproduction	212	234	234	250	250
25 Other Services:					
Repair to Furn. & Equip.	1,141	1,135	1,135	1,387	1,135
Other Contractual Services	6,209	6,621	6,621	6,749	6,544
Sub-Total	7,350	7,756	7,756	8,136	7,679
26 Supplies & Materials:					
Office Supplies	276	248	248	324	324
Drugs, Medicines & Chemicals	3,210	2,883	2,883	3,777	3,777
Other Med. & Dental Supplies	6,967	6,258	6,258	9,327	8,860
Operating Supplies & Materials	4,169	3,903	3,903	6,457	5,457
Maint. Supplies & Materials	333	299	299	341	341
Sub-Total	14,955	13,591	13,591	20,226	18,759
31 Equipment:					
Furniture and Fixtures	142	191	191	202	202
Med., Dental & Scientific Equip.	12,684	12,409	12,074	14,248	13,748
Utility & Operating Equip.	363	502	502	1,022	1,022
Sub-Total	13,189	13,102	12,767	15,472	14,972
32 Lands and Structures	1,160	1,492	1,492	1,810	1,810
Total Costs	127,030	134,880	133,490	147,723	139,735

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REHABILITATIVE RESEARCH
JUSTIFICATION OF ESTIMATES

The estimate provides for an appropriation of $~~10,185,000~~ 9,421,000 for the Rehabilitative Research activity in FY 1982, an increase of $~~1,045,000 and 12 FTEE~~ 708,000 over FY 1981.

The mission of the Rehabilitative Engineering Research & Development (RER&D) program is to improve the quality of life of all handicapped veterans by allowing them to function independently at their maximum capability. Particular emphasis is placed on conducting approved research projects in medical centers having spinal cord injury, prosthetics treatment, and blind rehabilitation programs. The RER&D Service will place increased emphasis on the Engineering School Affiliation Program, which allows an increasing number of faculty and graduate student projects which will strengthen the RER&D program by improving the quality of the engineering support to VA Medical Centers.

PROGRAM HIGHLIGHTS

The RER&D Program utilizes the latest developments in science and technology to rehabilitate severely disabled veterans including amputees, patients with spinal cord injury, and visual impairments. The Program is closely coordinated with other agencies and organizations and the results of the R&D projects are disseminated to help disabled persons throughout the world.

Recent accomplishments resulting from the RER&D program include a Van that has been evaluated and recommended for purchase by the disabled veteran.

Under evaluation are the following newly developed devices:

1. Chin-controller for powered wheelchairs
2. Robotic arm/work station for quadraplegics
3. Variable center of rotation for artificial knee
4. Tonal-output device for reading machines for the blind
5. Computer-assisted system to measure sensory evoked potentials
6. Mauch hydraulic ankle for lower limb amputees

Newly developed devices ready for evaluation include:

1. Energy efficient control system for powered wheelchair
2. Hi-performance indoor/outdoor powered wheelchair
3. Above-elbow electric arm - 4 function with single motor
4. "Parapodium" stand-up walker for paraplegics

AMPUTEE MANAGEMENT. The majority of amputations performed in the VA today are due to impaired circulation secondary to arteriosclerosis and diabetes. Over the past years, the VA has sponsored research and treatment of this problem. As a result of a special workshop in Amputee Management co-sponsored by the RER&D Service and Surgical Service, several medical centers have been selected for new clinical programs in Amputee Management. Medical teams at these medical centers will utilize these new techniques to improve patient care by reducing the need for radical surgery and assisting in selection of the most favorable site for amputation as well as utilizing immediate post-operative fittings of prosthetic devices. In addition to this major effort, there are another twenty-one (21) merit review projects sponsored by the RER&D Service in FY 1981 which will be increased by one additional project in FY 1982, ranging from endosteal implants for possible direct attachment of prostheses to applications of research gait analysis techniques for clinical diagnoses. The primary thrust of this program area during FY 1982 will be to bring the results of research and prototype development into a more rapid clinical application to improve the immediate and long-term care of the veteran amputee.

REHABILITATIVE ENGINEERING RESEARCH AND DEVELOPMENT (RER&D) CENTERS. The two existing centers at Hines, IL and Palo Alto, CA, have been staffed. At the Hines Center, outcome evaluations are carried out in conjunction with the Illinois Institute of Technology to provide vitally needed information about the effectiveness of the Rehabilitative Engineering Programs. In addition, there are in-depth studies, in cooperation with the Blind Rehabilitation Center, of a man-machine interface in the Sensory Aids area. Development of this method to measure device performance should permit documentation of a sensory deprived person's abilities to perform using the highly sophisticated equipment now available. The Orthopedic Engineering, or Biomechanics area of the center, is concentrating on the pathophysiology of the spinal cord and the mechanisms of bone healing, such as spinal fusion. The Center at the Palo Alto VAMC, in conjunction with the Stanford University School of Engineering, is continuing to develop robotic devices for high level quadraplegics. There are continuing programs studying the biomechanical events surrounding spinal cord injury which lead to loss of function, including nerve conduction velocity studies. This Center is also working closely with the Blind Rehabilitative Center in developing electronic travel aids and other assistive devices for the blind.

The engineering school affiliation program will continue to receive special attention with on-going programs at the VAMC Atlanta in conjunction with the Georgia Institute of Technology and at the VAMC Cleveland in conjunction with the Case Western Reserve University. Increased emphasis will be placed on sensory aids and spinal cord injury in FY 1982.

REHABILITATIVE RESEARCH

SUMMARY OF EMPLOYMENT AND COSTS BY OBJECT

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
Employment (Average FTEE)	91	143	109	155	109
Average Payroll Cost.....	$ 23,912	$ 23,937	$27,734	$ 24,000	$27,927
Costs by Object:	(dollars in thousands)				
10 Personal Services and Benefits					
Other Personnel.....	$ 2,176	$ 3,423	$ 3,023	$ 3,720	$ 3,044
21 Travel and Transp. of Persons:					
Employee Travel.....	46	50	23	80	53
All Other.....	2	5	5	5	5
Sub-Total.....	48	55	28	85	58
22 Transportation of Things...	11	13	13	15	15
23 Communication, utilities, and other rent.....	19	23	23	25	25
24 Printing & Reproduction.....	39	47	47	51	51
25 Other Services					
Other Contractual Svcs...	3,635	3,609	3,609	4,069	4,008
26 Supplies & Materials					
Offices Supplies.....	7	10	10	10	10
Prosthetic Supplies.....	12	14	14	16	16
Operating Supplies & Materials.....	468	567	567	618	618
Sub-Total.....	487	591	591	644	644
31 Equipment:					
Med., Dent., & Scientific Equipment.....	950	1,150	1,150	1,254	1,254
Other.....	100	121	121	132	132
Sub-Total	1,050	1,271	1,271	1,386	1,386
32 Lands and Structures.....	89	108	108	190	190
Total Costs.....	7,554	9,140	8,713	10,185	9,421

In accordance with Own Circular
No. 76, the
[illegible] has been deleted
from the budget
submitted to the President.

HEALTH SERVICES RESEARCH
JUSTIFICATION OF ESTIMATES

$3,743,000

This estimate provides for an appropriation of ~~$4,673,000~~ for the Health Services Research and Development (HSR&D) activity in FY 1982 an increase of ~~$1,423,000~~ $498,000 and ~~26~~ 4 FTEE over FY 1981. This will provide minimal support for (1) the program of investigator-initiated research directed at resolving locally identified problems or questions and (2) the affiliation program to develop health services research capabilities in VA facilities through association with university programs. An increase is provided for selected health services research special emphasis programs developed in response to centrally-identified priority issues; specifically, ~~10 FTEE and $875,000~~ $375,000 is estimated for the pilot program of preventive health care, ~~and 12 FTEE and $400,000 for research in the delivery of rehabilitative health care services. A further slight increase in the level of activity is anticipated in centrally identified priority areas as the HSR&D Service continues development of research strategies and programs to address the information requirements of decision makers in areas of particular importance to the veterans' health care system.~~

Program Highlights

INVESTIGATOR-INITIATED R&D PROGRAM

The investigator-initiated HSR&D program is yielding results, with 7 projects supported by this program attaining completion in FY 1980. The budget request will permit support of commitments already made, including support of currently funded projects not completed by the end of FY 1981.

Significant research projects completed during FY 1980 dealt with such topics as: the conceptualization and measurement of important physical/psychosocial environmental variables in geriatric treatment centers; the validation of individualized goal attainment measures for psychiatric inpatients; the measurement of the health services utilization patterns of Hispanics; the development and validation of an "addiction severity rating scale;" and the effectiveness of an ambulatory care "hotline" system to reduce the number of outpatient visits. Much more work is required in these areas, but the insights already provided should contribute to improving the provision of effective and economical health care in each of the areas studied.

In this era of constrained resources and rising consumer expectations, the intramural program is supporting projects of significant concern to the VA and to health policy makers. Ongoing projects are examining areas of significant VA concern. Numerous aspects of the delivery of ambulatory care are being analyzed, including studies of the relationships of resource utilization and clinical decision making and evaluation of various forms of group or team care. Rehabilitation of patients after successful treatment of severe illness such as renal failure, stroke, cancer, or myocardial infarct is also being studied with the objective of restoration of the patient to the best attainable psychological and functional condition. Other projects are evaluating the effectiveness of various forms of mental health care, such as intensive psychiatric treatment of severely disturbed patients and integration of VA and community treatment.

AFFILIATION PROGRAM

The affiliation program is designed to develop within the VA the capacity to conduct scientifically sound health services research of direct relevance to the VA health care system. These research and performance goals are being pursued in ten health services research programs in coordination with nine university-based Health Services Research Centers. Each program is headed by a health services researcher and many disciplines are represented.

As examples of results of these affiliations, staff at one center have applied a procedure for describing hospital case mix in terms relevant to resource requirements of the hospitals in their medical district. This application will have significant potential for guiding resource allocation decisions. Another center determined that generic drug substitutions produce significant consumer savings, including savings for the VA. Other projects are concerned with management techniques for annual budget allocations, and with management incentives for cost containment in the outpatient pharmacy.

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NO7-13

RESEARCH RESPONSIVE TO CENTRALLY-IDENTIFIED ISSUES

A primary focus of HSR&D is to provide, through policy analysis and careful evaluation of program cost effectiveness, systematic guidance to program officials for selecting among clear-cut alternative programs. This is the thrust of the pilot program of preventive health care (which has been developed in response to Public Law 96-22) and the research strategies being developed in the areas of rehabilitation and long-term care.

The budget estimate provides for ~~increased~~ MINIMAL support of the pilot program in preventive health care. Specially-solicited projects will be conducted at VA field facilities in a number of areas: alcoholism, schizophrenia, hypertension (cardiovascular risk and compliance monitoring), psychiatric screening, and dentistry. ~~In addition, larger, centrally-encouraged research projects will be implemented in areas of particular importance to the VA and its patient clientele or where the VA has a unique opportunity to contribute to the nation's knowledge of preventive health care. For example, a major research project involving selected VA medical centers will test the cost effectiveness of providing a defined set of preventive health care services to selected veterans.~~ The HSR&D Service also intends to continue supporting investigator-initiated research proposals in the area of prevention to the extent that resources are available.

~~The budget estimate also provides for support of a health services research and development program to systematically evaluate selected medical rehabilitation programs jointly developed with other departmental elements in response to the Administrator's Task Force recommendations for a comprehensive rehabilitation program. It is anticipated that two studies involving four sites will be initiated in FY 1982 focusing on issues such as comparing integrated vs. separate medical specialty care or evaluating models for delivering care for common and severe veteran disabilities.~~

Staff planning efforts will continue in other areas of importance to the Veterans Administration such as long-term care. A contract to evaluate a Palliative Treatment (HOSPICE) Program will continue to be supported.

HEALTH SERVICES RESEARCH

SUMMARY OF EMPLOYMENT AND COSTS BY OBJECT

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
Employment (Average FTEE):					
Physicians	4	4	4	4	4
Nurses	5	5	5	5	5
Other Personnel	96	117	101	143	105
Total	105	126	110	152	114
Average Payroll Cost	$ 20,133	$ 17,706	$20,282	$ 23,217	$22,684
Costs by Object:		(dollars in thousands)			
10 Personal Services and Benefits					
Physicians	$ 179	$ 189	$ 189	$ 199	$ 199
Nurses	102	108	108	114	114
Other Personnel	1,833	1,934	1,934	3,216	2,273
Total	2,114	2,231	2,231	3,529	2,586
21 Travel and Transp. of Persons:					
Employee Travel	25	37	32	42	37
Interagency Motor Pool	3	5	5	5	5
All Other	12	...	...	...	...
Sub-Total	40	42	37	47	42
22 Transportation of Things	1	1	1	1	1
23 Communication, Utilities, and Other Rent	9	10	10	10	10
24 Printing & Reproduction	4	4	4	4	4
25 Other Services					
Other Contractual Svcs	690	729	729	822	840
26 Supplies & Materials					
Offices Supplies	101	106	106	118	118
31 Equipment	120	127	127	142	142
32 Lands and Structures	...	...	...	...	...
Total Costs	3,081	3,250	3,245	4,673	3,743

transmitted by the President.

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VETERANS ADMINISTRATION
MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES
APPROPRIATION LANGUAGE

For necessary expenses in the administration of the medical, hospital, domiciliary, construction and supply, research, employee education and training activities, as authorized by law, and for carrying out the provisions of section 5055, title 38, United States Code, relating to pilot programs and grants for exchange of medical information, ($51,218,000) ~~$64,572,000~~ 58,400,000, plus reimbursements.

EXPLANATION OF LANGUAGE CHANGE

No change is proposed in the Appropriation Language for fiscal year 1982.

Appropriation Highlights

Major Programs by Activity:	1980 Actual	1981 Estimate	1982 Estimate	Increase(+) Decrease(-)
		(dollars in thousands)		
Medical Administration	$35,674	$42,017	$50,698	$+ 8,681
Postgraduate & Inservice Training	10,031	10,750	12,324	+ 1,574
Exchange of Medical Information	2,500	1,550	1,550	...
Appropriation	48,205	54,317	64,572	+ 10,255
Obligations	47,047	54,317	64,572	+ 10,255
Costs	48,320	54,317	64,572	+ 10,255
Outlays	50,052	54,267	64,572	+ 10,305
Average Employment(jurisdictional)	831	853	928	+ 75

Summary of Budget Request

The 1982 appropriation request under the Medical Administration and Miscellaneous Operating Expenses appropriation totals ~~$64,572,000~~ 58,400,000, a net increase of ~~$10,255,000~~ 5,591,000 over the amount requested for 1981.

Changes from original 1981 Budget Estimates

Major Programs by Activity:	Budget Estimate	1981 Current Estimate	Increase (+) Decrease (-)
		(dollars in thousands)	
Medical Administration	$43,407	~~$42,017~~ 41,395	$- ~~1,390~~ 2082
Postgraduate & Inservice Training	10,750	~~10,750~~ 9924	~~...~~ -826
Exchange of Medical Information	1,550	1,550	...
Appropriation	55,707	~~54,317~~ 52,809	- ~~1,390~~ -2898
Obligations	55,707	~~54,317~~ 52,809	- ~~1,390~~ -2,898
Costs	55,707	~~54,317~~ 52,809	- ~~1,390~~ -2,898
Outlays	55,748	~~54,267~~ 52,759	- ~~1,401~~ -2,989
Average Employment(jurisdictional)	838	~~853~~ 839	+ ~~15~~ + 1

The fiscal year 1981 enacted budget of $51,218,000 has been increased by ~~$2,099,000~~ 1,591,000 to a level of ~~$54,371,000~~ 52,809,000. An analysis of this change is as follows:

	Amount	FTEE
1. Appropriation as amended	$ 55,707,000	838
2. Congressional action	- 4,489,000	- 6
3. October 5, 1980 pay raise requirement ($2,273,000) less absorption - OMB Bulletin 81-3 ($-682,000)	+ 1,591,000	...
4. Additional requirements for the implementation of PL 96-330, ~~Veterans Administration Health~~ and PL 96-151. ~~Care amendments of 1980~~	~~+ 1,508,000~~	+ 7
Total	~~$54,317,000~~ 52,809,000	~~+ 21~~ ~~853~~ 839

Analysis of Increases and Decreases

GENERAL STATEMENT

This appropriation provides for the administration and supervision of all agency medical programs by the Chief Medical Director, assisted by his Central Office staff elements; the conduct of postgraduate and inservice training activities to support the medical programs; and the exchange of the most advanced medical information with the medical-scientific community.

Activity classifications identified within the appropriation are:

Medical Administration which covers all Agency medical program supervision and administration, including the development and implementation of policies, plans and broad program activities, providing impetus for medical centers in attaining their objectives, and necessary follow-up action to insure complete accomplishment of goals.

Postgraduate and Inservice Training which provides for tuition and travel payments, lecturer fees and training materials used in connection with training employees working in medical programs.

Exchange of Medical Information which provides for entering into agreements with medical schools, research centers and individual institutions and members of the medical-scientific community for the mutual exchange of medical information and techniques to the advantage of all concerned.

MEDICAL ADMINISTRATION

INTRODUCTION

This activity includes the office of the Chief Medical Director and his eight Central Office major staff elements responsible for the development of objectives and the administration of policies and plans to insure complete medical, dental and hospital services for the care and treatment of veterans as prescribed by the Administrator, pursuant to statutory authority and regulations.

In addition to the administration of agency-wide medical programs, the Central Office staff elements are responsible for providing supply, building management, and engineering support on an agency-wide basis; for the procurement of drugs, supplies, biologicals, and other medical and hospital supplies in support of all civilian agencies requiring same, as well as the Government of American Samoa and the Veterans Memorial Medical Center operated by the Republic of the Philippines.

This Activity also provides for consultant support to the Administrator and the Chief Medical Director, and for a Special Medical Advisory Group established by Title 38 U.S.C., Section 4112. The members of this Special Medical Advisory Group meet regularly with staff of the Department of Medicine and Surgery to advise on medical and policy matters. They also serve as a vehicle between the Veterans Administration and major segments of American medicine, such as medical schools and various professional associations of medical specialists, providing an opportunity for the mutual exchange of information between varying health services programs.

Central Office use of consultants is in connection with neuropsychiatry, social service, tuberculosis, dentistry, and other specialties to advise and assist on policies and procedures. Consultants are also utilized by the staff elements to supplement professional staff in those offices. They evaluate specialty activities and submit reports on hospitals appraising the capabilities of the head of the particular specialty, the physical layout, the type of service being rendered, and offer criticisms and recommendations where appropriate.

Automated data processing continues to be an area of particular concern for the department. During FY 1982 the Computerized Medical Systems Office (CMSO) which is responsible for maintenance and development of information systems supporting the mission of the department, will continue the development of a total Health Care Information System (HCIS). This high speed multi-station, controlled access information flow system will provide relief from manually collecting large volumes of data needed for decision making. The system will support direct patient care efforts and further provide for a significant upgrade of administrative and medical support operations. The HCIS which is being developed in accordance with OMB Circular A-109 will start consultant studies in the following areas: Risk Analysis, Development and Monitoring of Requests for Proposals, Communication Studies, and Acquisition Strategy Studies. The areas of highest priority include:

- Inpatient and Outpatient Treatment Activities
- Inpatient and Outpatient Pharmacy Functions
- Patient Registration/Locator Services
- Admission, Transfer and Discharge Information
- Clinical Laboratory Operations

During fiscal year 1982, costs are estimated to be $~~$50,698,000~~ $46,923,000 for the operation of the VA Medical Administration program. This is an increase of $~~$8,681,000~~ $5,583,000 over the fiscal year 1981 level.

Charts reflecting planned employment and financing levels, by function and object for the comparative years, appear on the following pages.

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No-8-5, 8-6

MEDICAL ADMINISTRATION

SUMMARY OF AVERAGE EMPLOYMENT AND COSTS BY FUNCTION

	1980 Actual	1981 Budget Estimate	1981 Current Estimate	1982 Estimate	Increase(+) Decrease(-)
Employment (Average FTEE):					
Office of Chief Medical Director	250	178	253 ~~282~~	252 ~~282~~	- 1 ~~- 29~~
ADCMD - Operations.....	85	80	85	85	...
ACMD - Policy and Planning.....	94	83	95 ~~124~~	101 ~~124~~	+ 6 ~~- 29~~
ACMD - Professional Services....	136	137	138 ~~145~~	146 ~~146~~	+ 8 ~~+ 1~~
ACMD - Dentistry.....	17	19	17	17	...
ACMD - Extended Care.....	21	27	21 ~~22~~	21 ~~22~~	... ~~+ 1~~
ACMD - Academic Affairs.....	87	91	87 ~~102~~	94 ~~102~~	+ 7 ~~+ 15~~
ACMD - Research & Development...	67	92	67	67	...
ACMD - Administration.....	74	131	76 ~~85~~	83	+ 7
Total.....	831	838	839 ~~853~~	866 ~~928~~	+ 27 ~~+ 75~~
Costs by Function ($'s in thous.):					
Office of Chief Medical Director	$13,473	$18,989	$ 15,910 ~~$16,149~~	$ 19,444 ~~$19,800~~	$+ 1,534 ~~$+ 3,651~~
ADCMD - Operations.....	3,512	3,243	4,174 ~~4,208~~	4,241 ~~4,333~~	+ 67 ~~+ 125~~
ACMD - Policy & Planning.....	3,586	3,703	4,262 ~~4,297~~	5,274 ~~6,114~~	+ 1,012 ~~+ 1,817~~
ACMD - Professional Services....	5,446	5,738	6,358 ~~6,526~~	8,336 ~~8,411~~	+ 1,978 ~~+ 1,885~~
ACMD - Dentistry.....	832	960	989 ~~997~~	1,028 ~~1,050~~	+ 39 ~~+ 53~~
ACMD - Extended Care.....	780	790	926 ~~934~~	1,018 ~~1,040~~	+ 92 ~~+ 106~~
ACMD - Academic Affairs.....	2,806	3,013	3,335 ~~3,362~~	3,816 ~~4,150~~	+ 481 ~~+ 788~~
ACMD - Research & Development...	2,114	2,820	2,512 ~~2,533~~	2,593 ~~2,650~~	+ 81 ~~+ 117~~
ACMD - Administration.....	2,513	4,151	2,869 ~~3,011~~	3,173 ~~3,150~~	+ 304 ~~+ 139~~
Total.....	35,062	43,407	41,735 ~~42,017~~	46,923 ~~50,698~~	+ 5,588 ~~+ 8,681~~

MEDICAL ADMINISTRATION

COMPARATIVE ANALYSIS OF AVERAGE EMPLOYMENT AND COSTS

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
AVERAGE EMPLOYMENT:					
Nurses	17	18	18	18	18
Dentists	11	11	11	11	11
Physicians	51	52	52	52	52
Clin. & Couns. Psychologists	5	5	5	5	5
Other Employees	747	767	753	842	780
TOTAL EMPLOYMENT	831	853	839	928	866
COSTS (dollars in thousands)					
10 PERSONNEL COMPENSATION AND BENEFITS:					
Nurses	$ 842	$ 905	905	$ 915	915
Dentists	639	838	838	846	846
Physicians	3,397	5,009	5,009	5,059	5,059
Clin. & Couns Psychologists.	214	230	230	233	233
Other Employees	21,898	24,149	23,918	27,787	25,635
Sub-Real Estate, etc.	289	218	218	224	224
Sub-Total (Object 10)..	27,279	31,349	31,118	35,064	32,912
21 TRAVEL & TRANSP OF PERSONS:					
Employee Travel	1,223	1,664	1,490	1,670	1,630
Interagency Motor Pool	27	30	30	30	30
All Other	12	11	11	18	11
Sub-Total (Object 21)...	1,262	1,705	1,531	1,718	1,671
22 TRANSPORTATION OF THINGS	183	139	139	156	156
23 COMMUNICATIONS, UTILITIES AND OTHER RENT:					
Communications	1,349	1,622	1,622	1,804	1,692
Equipment Rentals	135	161	161	220	220
Sub-Total (Object 23)...	1,484	1,783	1,783	2,024	1,912
24 PRINTING AND REPRODUCTION	606	587	587	666	666
25 OTHER SERVICES:					
Misc. Contractual Services..	2,632	3,284	3,209	5,065	4,431
Personal Service Contracts..	262	265	232	600	353
Repair of Furn. and Equip...	58	60	60	75	75
Data Processing Services....	537	1,558	1,558	3,720	3,469
Sub-Total (Object 25)...	3,489	5,167	5,059	9,460	8,328
26 SUPPLIES AND MATERIALS:					
Operating Supplies	180	351	351	420	336
Books and Periodicals	136	170	170	210	168
Office Supplies	75	80	80	186	149
Sub-Total (Object 26)...	391	601	601	816	653
31 EQUIPMENT	368	686	517	794	625
TOTAL COSTS	35,062	42,017	41,335	50,698	46,923

In accordance with OMB Circular A-10 dated [illegible] 1970, the attached [illegible] is enclosed in any [illegible] submitted to [illegible]

MEDICAL ADMINISTRATION
JUSTIFICATION OF ESTIMATES

This estimate provides for ~~920~~ 566 average employment and ~~$50,698,000~~ $46,923,000 for the Medical Administration activity for FY 1982. This is a net increase of ~~$8,681,000~~ 5,588,000 and ~~75~~ 27 average employment over the requirements for the Medical Administration activity in FY 1981.

Basic operations of VA medical programs will be directed by the Chief Medical Director. Small groups comprised of skilled management teams will undertake the broader management aspects of directing, supervising and evaluating field activities. Efforts of these general management teams, directed to overall efficiency and economy of the operation of entire medical installations, will require extensive support of specialist supervisory personnel assigned to the various Central Office staff elements. These staff program specialists also must be available for performing such important functions as fire and safety inspections, inventory control checks, construction surveys, providing stations with all types of management assistance, and evaluations of professional specialities such as surgery, psychiatry, neurology, pathology, radiology and dentistry.

The Chief Medical Director is directly responsible to the Administrator of Veterans Affairs for the extent and quality of medical and hospital care afforded eligible veterans, as prescribed by the Administrator, pursuant to Title 38 U.S.C. and other statutory authority. In this endeavor, he is assisted by a Deputy Chief Medical Director, seven Assistant Chief Medical Directors, and an Associate Deputy Chief Medical Director for Operations responsible for directing and coordinating system-wide departmental field operations.

The increases of ~~75~~ 27 FTE and ~~$8,681,000~~ $5,588,000 are specifically identified in the following two sections: A. Program Changes and B. Cost Analysis.

A. Program Changes

1. Transfer of functions previously accomplished at the Washington VA Medical Center to VA Central Office will require ~~44~~ 18 FTEE and ~~$1,287,000~~ $565,000. This transfer is made in accordance with recommendations of the VA Inspector General. The resources tranferred are associated with Multi-Level Care (~~23 FTEE and $722,000~~), Administrative Scholars (~~8 FTEE and $251,000~~) Affiliation Assessment (~~7 FTEE and $220,000~~) and miscellaneous support functions (~~6 FTEE and $94,000~~).

2. Health Care Information Systems will require ~~$2,618,000~~ $1,678,000 and ~~25~~ 3 FTEE to continue the major system acquisition process under provisions of OMB Circular A-109. Consultant Studies will be started in the areas of Risk Analysis, Development and Monitoring of Requests for Proposals, Communication Studies, and Acquisition Strategy.

3. ~~41~~ 14 FTEE and ~~$1,212,000~~ $1,627,000 will be required for the implementation and annualization of Public Law 96-330. ~~as follows: $430,000 is required for the implementation of a physician special pay study; $334,000 is required for a nurse recruitment study; $161,000 is for the administration of a program to determine standards for presumption of inability to defray medical expenses; and 1 FTEE and $105,000 will be utilized in further support of Geriatric Research, Education and Clinical Centers. The remaining $182,000 reflects the annualization requirements for the Physician and Dentist Bonus Provisions of PL 96-330.~~

4. Central Office ADP support for Agent Orange monitoring will require 3 FTEE and $99,000.

~~5. ADP updates and improvements will require 3 FTEE and $350,000 to support the continuation of 50 ongoing DMS Field Systems and the establishment of 20 high priority new systems that will improve the quality of medical decision making information.~~

~~6. A manpower tracking system will require 3 FTEE and $497,000. These resources will be used for development, testing and implementation of a system that will be utilized in conjunction with staffing methodologies and other related systems.~~

7. 1 FTEE and $100,000 will be required to assist approximately thirty services in VA Central Office in the development of long-term program planning.

8. 3 FTEE and $100,000 will be required to develop and evaluate five year plans for the orderly construction, replacement and alteration of medical facilities.

9. Program reduction (VA Scholars) 8 FTEE and $251,000.

~~9. The Rehabilitation Medicine Service (RMS) will require 2 FTEE and $62,000 to support the development of a comprehensive system approach to the rehabilitation of veterans. These positions provide for a RMS Coordinator and an Independent Living/Life Skills Rehabilitation Planning Specialist.~~

10. A decrease of 7 FTEE and $250,000 reflects a transfer of the Integrated Procurement Storage and Distribution System (Log 1) to The Office of Data Management and Telecommunications (ODM&T). The Log 1 System maintains inventory accounting and control for all Medical Centers and the Supply Depots.

11. Pay raise annualization, And inflation ~~and increased usage~~ will require ~~$2,606,000~~ $1,669,000 in Fiscal Year 1982.

B. Cost Changes

It is estimated that costs in FY 1982 will increase ~~$8,681,000~~ $5,588,000. This increase results from the following considerations:

Payroll Changes. An increase of ~~$3,715,000~~ 1,794,000 for the following items:

(1) An increase of $954,000 for an additional 27 average employment as noted above of which $99,000 and 3 average employment relates to HCIS.

~~(2) An increase of $400,000 for within-grade payroll increases applicable to employees on the rolls during Fiscal Year 1981.~~

(3) An increase of $840,000 to annualize the pay raise effective October 5, 1980.

Travel and Transportation of Persons. A net increase of ~~$153,000~~ 140,000 is requested. These funds are needed to assure adequate supervision by Central Office staff of medical programs. ~~This is an increase in HCIS travel of $139,000 offset by a decrease of $126,000 in the remainder of Medical Administration.~~

Transportation of things. An increase of $17,000 is requested to provide for increased operations and costs.

Communications, Utilities, and Other Rent. An increase of ~~$241,000~~ $129,000 is requested for increased operations and costs. An increase in the number and complexity of centrally directed programs will require a corresponding rise in communications usage. ~~Of the amount requested, $5,000 is related to ADP equipment rentals.~~

Printing and Reproduction. An increase of $79,000 is requested to provide increased usage and costs of operations.

Contractual Services. An increase of ~~$4,293,000~~ $3,269,000 is requested. Of the total increase, $121,000 ~~$335,000~~ is to provide for consulting services, $15,000 is for increased costs for the repair of furniture and equipment, and $1,222,000 is for miscellaneous contractual services ~~to include the Multi-Level Care program,~~ the Staffing Methodology programs, and the DM&S Construction program. An increase of $1,911,000 is related to an increase in Data Processing Services primarily for HCIS.

Supplies. A funding increase of ~~$215,000~~ $52,000 is required for increased office and operating supplies to support existing programs

Equipment. An increase of $108,000 is requested to provide for increased usage and costs of operations.

POSTGRADUATE AND INSERVICE TRAINING

INTRODUCTION

The purpose of this program is to provide Department of Medicine and Surgery employees with opportunities to participate in educational activities that will help them maintain and upgrade knowledge and skills necessary to provide veteran beneficiaries with the best health care services possible. This requires a concentrated and continuous effort to enable staff to keep pace with the accelerating advances in the medical sciences and related technologies and to support the training required by new initiatives generated by legislative, administrative and patient care considerations.

Funds requested for the Postgraduate and Inservice Training Program (PIT) are used to meet expenses required for the education and training of staff who are a part of the VA health care effort. This includes employee education travel, tuition, and related supporting activities incidental to continuing education and staff development. Central Office managers determine systemwide educational priorities; Regional Medical Education Centers organize, plan and conduct regional training; and individual VA facilities meet locally-identified needs. In no case are funds used to pay salaries of VA employees.

The maintenance and improvement of effective continuing education and staff development are essential to the recruitment and retention of highly qualified personnel who can provide high quality care to veterans. It is also essential to help assure licensure and certification of VA personnel in keeping with the nationwide movement to establish and enforce standards for individuals involved in the more complex areas of the health care field such as medicine, dentistry, nursing, and various associated health professions. Many state and national professional associations, state boards of registration, and specialty boards and academies have developed or are considering specific requirements of continuing education as a requirement for membership or for relicensure or recertification. The accreditation of VA hospitals requires documented evidence of acceptable continuing education for an expanding range of personnel to include those less directly involved with the care of veteran patients, e.g. safety engineers.

Executives and managers in DM&S have special needs as a result of the complex health care delivery system they function within. The DM&S executive and management development programs encompass a wide range of activities. Future managers come from within and outside the Veterans Administration, progressing through supervisory, managerial and executive levels. While everyone does not advance to the assistant hospital director or director level, the objective is to move people toward this goal so that a reservoir of potential candidates is available for consideration for each vacancy. This involves preceptor (on-the-job training) and management skills training (classroom) both at central and local facility levels. ~~In fiscal year 1982, $850,000 is budgeted for these program activities.~~

Major emphasis will continue to be placed on offering more educational programs in the local facility area and supporting fewer episodes which require extensive travel. The gains from this are expected to be two-fold:

. A lesser increase in travel expense during a period when travel costs are rapidly accelerating.

. More effective education since realistic needs assessment can be carried out locally and relevant activities can be planned and presented.

The budget request for fiscal year 1982 is $~~12,334,000~~ 10,702,000, an increase of $778,800 ~~$1,674,000~~ over fiscal year 1981. A major portion ~~(61%)~~ of this increase will help offset the higher operational costs caused by inflation.

POSTGRADUATE AND INSERVICE TRAINING

PROGRAM HIGHLIGHTS

Education and inservice training activities of the Veterans Administration's Department of Medicine and Surgery mirror the programmatic objectives of DM&S patient care programs and provide for the development of activities to effectively support new patient care initiatives. At the core of these training activities is attention to deficiencies of knowledge or motivation, changes in the information base of a given patient-care field, and the multidisciplinary approach to patient care.

Program emphasis has been directed to educational programs dealing with the care of the aging veteran, rehabilitation, substance abuse, quality assurance, and patient education. Teaching materials have been developed for rehabilitation case manager training and for patient health education support.

The highly successful systemwide training program for over 17,000 medical administration employees received an Emmy from the National Academy of Television Arts and Sciences for the creativity, content and execution of the 12 videotape programs developed and produced by DM&S. The training materials will continue to be used in an ongoing program to orient and train new medical administration staff who are most often the first contact a veteran has with the medical care system.

Major emphasis is placed on the development and operation of Regional Medical Education Centers (RMECs) which were mandated by the Congress in Public Law 92-541. These centers offer a full range of continuing education activities for all categories of professional and support staff. In addition to meeting regional priorities, RMECs meet systemwide educational priorities, by planning and conducting programs in areas such as geriatrics, rehabilitation and quality assurance.

The seven existing RMECs are located on the grounds of VA medical centers in Northport, NY; Birmingham, AL; Cleveland, OH; Minneapolis, MN; St. Louis, MO; Salt Lake City, UT; and Long Beach, CA. During 1980, the seventh RMEC was established at the Brecksville Division of the Cleveland VAMC and will be fully operational in mid-1981. Combined with the Continuing Education Center at the Washington VA medical center -- which will plan, develop, and coordinate national programs -- the VA has established the foundation for its continuing education network.

In fiscal year 1980, 11,237 VA staff received training through programs conducted or arranged by the RMECs. Since many of the RMEC programs are "train-the-trainer", where the person returns to his/her VA facility and trains other staff, the number of VA staff benefiting from this training is substantially larger than the 11,237 employees directly involved. The number of staff being trained by RMECs is expected to increase in 1981 and 1982 as the centers reach full operational status and more programs are conducted at VA medical center sites.

POSTGRADUATE AND INSERVICE TRAINING

COMPARISON OF TYPE OF EXPENSE AND COSTS BY OBJECT

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
		(dollars in thousands)			
TYPE OF EXPENSE:					
Tuition and Registration.....	$ 1,794	$ 1,739	1,739	$ 1,661	1,739
Lectures & Workshops.....	1,066	1,432	1,432	2,289	1,517
Educational Assignments Requiring Travel.....	6,527	6,950	6,239	8,092	7,017
Training Equipment, Supplies and Services.....	1,118	629	514	282	429
TOTAL.....	10,505	10,750	9,924	12,324	10,702
COST BY OBJECT:					
21 Travel & Transp. of Persons:					
Employee Travel.....	6,520	6,936	6,225	8,082	7,007
Other Employee Transp.....	7	14	14	10	10
Sub-Total.....	6,527	6,950	6,239	8,092	7,017
22 Transportation of Things....	2	4	4	4	4
23 Communications, Utilities and Other Rent.....	18	15	15	15	15
24 Printing & Reproduction.....	8	10	10	10	10
25 Other Svcs. Misc. Cont. Svcs:					
Misc. Contractual Svcs.....	503	788	788	1,258	834
Personal Services Contracts.....	563	644	644	1,031	683
Tuition - Fed/Non-Fed.....	1,794	1,739	1,739	1,661	1,739
Sub-Total (Object 25).....	2,860	3,171	3,171	3,950	3,256
26 Supplies and Materials:					
Operating Supplies.....	147	108	108	47	81
Books, Periodicals, Audio-video.....	475	240	240	152	262
Office Supplies	9	2	2	4	7
Sub-Total (Object 26)....	631	350	350	203	350
31 Equipment: (Medical, Dental, Scientific and Technical Equipment)...	459	250	135	50	50
TOTAL COST.....	10,505	10,750	9,924	12,324	10,702

In accordance with OMB Circular A-10 dated November 12, 1976, the [illegible] budget [illegible] released

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NO 8-15

POSTGRADUATE AND INSERVICE TRAINING
JUSTIFICATION OF ESTIMATES

$10,703,000
For Fiscal year 1982, ~~$12,324,000~~ is requested to cover all activities supported through the Postgraduate and Inservice Training Program. This is an increase of $778,000 ~~$1,574,000~~ over the amount estimated for fiscal year 1981.

TUITION AND REGISTRATION

An essential element of the Postgraduate and Inservice Training Programs is the attendance of VA personnel at extra-VA courses, seminars, symposia, institutes, and other educational offerings of medical schools, universities, and professional organizations. Although the VA offers many continuing education opportunities under its own auspices, the continuing need, and the number of VA employees who can benefit from such offerings, necessitates maintaining the ability to pay tuition for extra-VA courses. It is through these mechanisms that knowledge of the latest medical-scientific advances is brought to the VA staff members, including residents, who then are able to apply this knowledge in providing the most up-to-date patient care. The cross fertilization of ideas and information concerning treatment and related problems which takes place at professional meetings is also vital to a fully effective educational program.

$1,739,000
For fiscal year 1982, a total of $1,661,000 is requested to support costs of ~~13,821 episodes of~~ tuition and registration for VA employees. ~~This is a decrease of $78,000 and 2,133 episodes compared to fiscal year 1981.~~

LECTURES AND WORKSHOPS

Bringing lecturers who are outstanding in their professional fields to VA facilities provides excellent educational opportunities to clinical care staff members and tends to be more cost-effective in many instances than individual training. Lecturers travel to nearly all VA facilities to participate in courses, seminars workshops, or symposia. In addition to medical and related associated health endeavors, training is also provided to supervisory, managerial and executive level employees through such means as management-workshop seminars and specially designed university-based courses.

$1,517,000
For fiscal year 1982, a total of ~~$2,289,000~~ is requested to support ~~an estimated 5,444~~ lectures, symposia, and workshops. This is an increase of ~~$857,000~~ $55,000 over fiscal year 1981.

EDUCATIONAL ASSIGNMENTS REQUIRING TRAVEL

In order to provide the best possible patient care, it is essential that physicians, house staff, dentists, nurses, and other professional, scientific, technical, and administrative personnel be provided--to the extent possible--the opportunity to maintain current and full competence in their respective areas of expertise. One method of accomplishing this is through educational duty assignments which, in turn, require payment of travel and per diem expenses.

In P.L. 92-541, Congress provided for establishment of VA Regional Medical Education Centers to be located in "geographically dispersed areas of the nation". These centers provide specific assistance to VA health care facilities in planning and operating their continuing education activities, and present programs reflecting regional and national needs. In fiscal year 1980 VA personnel received training through 359 courses and workshops sponsored by these VA centers in such areas as mental health, alcoholism, rehabilitation and gerontology. Training of VA employees through RMECs is expected to help control travel costs in that training is conducted on a regional or local basis, thereby reducing the potential number of longer trips to obtain comparable training.

$7,017,000
In fiscal year 1982, a total of ~~$8,092,000~~ is requested to support ~~an estimated 22,218~~ episodes of travel and per diem for VA employees. This is an increase of $778,000 ~~$1,142,000 and 1,595 episodes~~ over fiscal year 1981.

TRAINING EQUIPMENT, SUPPLIES AND SERVICES

It is essential that an effective program of education and training judiciously employ available technological advances for the delivery and presentation of information. For fiscal year 1982, funds totaling ~~$282,000~~ $429,000 are requested to support costs of needed educational equipment, supplies and material. These items include texts, study guides, videotapes, films, and other teaching aids. This is a decrease of ~~$347,000~~ $85,000 compared to fiscal year 1981.

EXCHANGE OF MEDICAL INFORMATION

INTRODUCTION

Public Law 89-785 (38 U.S.C. 5051, 5054-5055) provided authority for the VA's Exchange of Medical Information Program. In enacting this legislation, Congress charged the VA with responsibility for developing and supporting pilot projects which have as their primary objectives the strengthening of those VA medical centers located remote from major teaching centers and promoting consultation and cooperation among clinicians and other members of the medical and health related professions who are within or outside of the VA.

The VA constantly strives to provide the best possible care to each individual who comes to a VA health care facility, regardless of its location. In order to achieve this objective, the agency must be continuously aware of the latest scientific, educational and technological developments so as to analyze the impact each might have on the delivery of quality health care. The Exchange of Medical Information Program helps make this possible.

Projects conducted under the Exchange of Medical Information program are supported by providing grants to medical schools, hospitals and research centers, and via direct funding to VA Medical Centers. They are not intended for the indefinite support of established principles, but are for the purpose of developing pilot demonstrations. As projects become fully developed and operational, their support is transferred to appropriate operating programs thus freeing Exchange of Medical Information funds for support of other new projects. Hence, the most effective utilization is obtained from a relatively limited amount of funds.

Implementation of programs enumerated in this budget request will contribute to achieving the objectives of the legislation authorizing the Exchange of Medical Information program. Three types of payments, or expenses, are required for the conduct of this program; (1) grants, (2) training equipment, supplies, services, and (3) educational, administrative, and developmental travel.

For FY 1982, a total of ~~$1,550,000~~ $775,000 is requested. This is ~~the same amount~~ A Reduction of $775,000 from the request~~ed~~ for FY 1981, and ~~$850,000~~ $1,725,000 less than was provided in FY 1980.

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EXCHANGE OF MEDICAL INFORMATION

COMPARISON BY TYPE OF EXPENSE AND COSTS BY OBJECT

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
		(dollars in thousands)			
Type of Expense:					
Educational Grants	$ 849	$ 450	450	$ 500	250
Training Equipment, Supplies & Svcs	1,835	910	910	865	440
Educ. & Administrative Travel Assignments	69	190	190	185	85
TOTAL	2,753	1,550	1,550	1,550	775
COSTS BY OBJECT:					
21 Travel & Transp. of Persons :					
Employee Travel	$ 69	$ 190	$ 190	$ 185	$ 85
22 Transportation of Things	1	1	1	3	3
23 Communications, Utilities, and Other Rent	5	7	7	3	3
24 Printing & Reproduction	19	3	3	3	3
25 Other Services:					
Misc. Contractual Services	399	216	216	208	108
Personal Svcs. Contracts	237	100	100	94	94
Tuition-Federal/Non Fed.	14	9	9	9	9
Subtotal (Object 25)	650	325	325	311	211
26 Supplies and Materials:					
Operating Supplies	142	104	104	104	79
Books, Periodicals, Audiovisuals	18	20	20	20	20
Office Supplies	3	21	21	21	21
Subtotal (Object 26)	213	145	145	145	120
31 Equipment	947	429	429	400	100
41 Grants	849	450	450	500	250
TOTAL COSTS	2,753	1,550	1,550	1,550	775

A-10 Detail ... confidential ... of the Budget
Retrieval should not be disclosed
in any form prior to being
transmitted by the President.

NOB-20

EXCHANGE OF MEDICAL INFORMATION

JUSTIFICATION OF ESTIMATES

The funding of ~~$1,550,000~~ $775,000 requested for fiscal year 1982 will permit ~~and very limited development~~ limited continuation of activities applicable to the Exchange of Medical Information (EMI) program.

The projects submitted for consideration under the EMI program are carefully reviewed and evaluated to determine their eligibility, efficacy and potential benefit to remote VA medical facilities. If approved, they are supported through grants to medical schools, hospitals or research centers or by direct funding to VA medical centers.

Justification by category of cost follows:

Grants

In order to provide ~~for~~ $250,000 for necessary development of new grants and support of on-going approved grants, ~~$500,000~~ $209,000 less is requested for fiscal year 1982. This is ~~$50,000 more~~ than the requirements in fiscal year 1981. These projects involve a variety of innovative activities and are conducted in numerous locations throughout the United States to the benefit of VA medical centers located remote from medical teaching centers.

There are three approved grants which require funding in fiscal year 1982.

1. The South Dakota Medical Information Exchange system is being implemented by the University of South Dakota School of Medicine in cooperation with the three VA medical centers in South Dakota. It is a specially adapted telephonic system linking up to 34 locations throughout South Dakota for medical and related telelecturing, teletutoring, administrative conferencing and information transmission.

2. A novel system for exchanging medical information between health professionals who are isolated from their peers is being developed via a project proposed by the University of Florida Health Sciences Center. Videotaped programs will be prepared on carefully selected biomedical subjects and distributed to selected VA medical centers for simultaneous viewing. A conference call following the viewings and utilizing the VA voice conferencing system will actively involve the participants in planned, indepth discussions of material covered in the viewed tapes.

3. A grant to the Medical Education Foundation of Lincoln (Nebraska) provides for the design, implementation and evaluation of 36 computer-assisted instruction case-simulated continuing medical and dental education programs. These will be disseminated for use in three VA medical centers in Nebraska and Iowa as well as to physicians and dentists in rural southeast Nebraska.

Additional requests for grant support to explore other innovative methods in exchange of medical information will be received and subjected to the established review process. If found worthy of support, available fiscal year 1982 funds will be used for their support to the extent possible.

Equipment

A total of ~~$400,000~~ $100,000 is requested for support of equipment relative to Exchange of Medical Information projects. These funds are requested to meet equipment needs related to on-going and new pilot projects. These projects include, in part:

* An automated interlibrary loan system to provide improved information for patient care through access to biomedical information.

* Development of learning modules to be used independently by learners at locations remote from the site at which the modules are created.

* An innovative outreach health care delivery system which will make rehabilitative therapeutic services available to veterans with speech and/or hearing impairments.

Additional projects will be undergoing review and evaluation, and may involve equipment purchases if approved.

Services

For fiscal year 1982, ~~$320,000~~ $220,000 is requested for support of services. Projects begun in prior fiscal years or under consideration for funding in fiscal year 1982 include those mentioned in the Grants and Equipment sections of this budget request. These projects require support for costs related to consultant fees, telecommunication services, laboratory services, training for use of specialized equipment, printing, communications and transportation of things.

~~In addition to projects mentioned in this document, it is anticipated that there will be additional projects approved prior to, or early in, FY 1982 which will also require support for services.~~

Supplies and Materials

For fiscal year 1982, ~~$145,000~~ $120,000 is requested for support of supplies and materials.

Most of the Exchange of Medical Information projects require the use of supplies and materials to conduct their specialized activities. Included are such items as film, videotape, laboratory supplies, office and reproduction supplies and other "software" materials.

Administrative and Developmental Travel

For fiscal year 1982, ~~$105,000~~ $85,000 is requested for support of travel required for Exchange of Medical Information activities.

The conduct and effectiveness of certain EMI projects is dependent on the travel of participants to locations of project activities, or for those who are directing the projects, to travel to VA medical centers and non-VA participating institutions. Much of this travel is for the purpose of conducting educational and/or training programs which insure effective project implementation. Projects involving development of an automated interlibrary loan system, independent learning modules, therapy and evaluation of hearing and speech impaired veterans, chromosome analysis on a regional basis and electronic enhancement of audiovisual materials all require travel for their effective continuing development and conduct.

The intermittent travel of members of the Exchange of Medical Information Review Group and members of VA Central Office staff is also required for consideration of proposed projects, and for planning and evaluation purposes.

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Grants for Construction of State Extended Care Facilities

APPROPRIATION LANGUAGE

For grants to assist the several States to construct State nursing home and domiciliary facilities and to remodel, modify or alter existing hospital, nursing home and domiciliary facilities in State homes, for furnishing care to veterans, as authorized by law (38 U.S.C. 5031-5037), [$15,000,000] $18,000,000, to remain available until September 30, [1983] 1984.

Appropriation Highlights

	1980 Actual	1981 Estimate	1982 Estimate	Increase(+) Decrease(-)
	(dollars in thousands)			
Appropriation	$ 7,500	$15,000	$ 18,000	$+ 3,000
Obligations	3,778	13,037	16,110	+ 3,073
Costs	14,223	9,100	13,500	+ 4,400
Outlays	14,223	5,905	9,153	+ 3,248

Summary of Budget Request

The FY 1982 appropriation request of $18,000,000 is an increase of $3,000,000 from the FY 1981 level.

Changes from original 1981 Budget Estimates

	1981		
	Budget Estimate	Current Estimate	Increase(+) Decrease(-)
	(dollars in thousands)		
Appropriation	$15,000	$15,000	...
Obligations	13,800	13,037	$- 763
Costs	9,100	9,100	...
Outlays	10,163	5,905	- 4,258

The 1981 current estimate reflects an obligation decrease of $763,000. The resulting unobligated balance of $5,504,000 available until September 30, 1983, occurs because the law does not permit partial funding of approved projects and the next such project scheduled for award exceeds this balance.

Program Summaries

	1980 Actual	1981 Budget	1981 Est.	1982 Est.	Increase(+) Decrease(-)
		(dollars in thousands)			
Budget Authority...	$ 7,500	$15,000	$15,000	$18,000	$+ 3,000
Unobligated balance start-of-year.....	129	1,056	3,541	5,504	+ 1,963
Unobligated balance end-of-year.....	- 3,541	- 2,256	- 5,504	- 7,394	- 1,890
Unobligated balance lapsing.....	- 310	...	...	...	...
Total obligations..	3,778	13,800	13,037	16,110	+ 3,073
Change in selected resources (Undelivered Orders).....	+10,446	- 4,700	- 3,937	- 2,610	+ 1,327
Cost.....	14,223	9,100	9,100	13,500	+ 4,400
Outlays.....	14,223	10,163	5,905	9,153	+ 3,248

GENERAL STATEMENT

The $18,000,000 requested under this program will provide grants to assist the States to construct State home facilities for furnishing domiciliary or nursing home care to veterans, and to expand, remodel or alter existing buildings for furnishing domiciliary, nursing home, or hospital care to veterans in State homes. A grant may not exceed 65 percent of the total cost of a project, and grants to any one State may not exceed one-third of the amount appropriated in any fiscal year. This program was approved on August 19, 1964 (Section 5031-5037, Title 38, U.S.C.) and authorized an appropriation of $5,000,000 per year for a period of five years beginning in 1965. Public Law 90-432, dated July 26, 1968, extended the authority from 5 years to 10 years, and Public Law 93-82, dated August 2, 1973, extended the authority from 10 years to 15 years. Public Law 95-62, dated July 5, 1977, provides for a single authorization of up to $15,000,000 with VA participation in construction of new domiciliaries as well as new nursing homes, and for sums appropriated to remain available until expended. The program has been further extended by P.L. 96-151, approved December 20, 1979. Public Law 96-151 continues the authorization of $15,000,000 through fiscal year 1980, and provides such sums as may be necessary for fiscal years 1981 and 1982.

A total of $117,200,000 was appropriated for fiscal years 1966 through 1981. As of September 30, 1980, commitments for grants have been made and funds obligated for the following projects:

Location	Projects W/ Beds	Projects W/O Beds	Number of New Beds	Total Est. Cost (000)	Actual VA Commitments/Oblig. (000)
Ardmore, OK	...	1	...	$ 48	$ 31
Augusta, GA	1	...	192	1,956	978
Augusta, ME	1	...	200	6,000	3,840
Bennington, VT	3	2	135	5,590	2,888
Boise, ID	2	...	90	2,223	1,368
Bristol, RI	2	...	315	4,611	2,891
Buffalo, WY	1	1	60	2,786	1,811
Chelsea, MA	...	15	...	5,119	2,825
Clinton, OK	1	2	36	758	471
Columbia Falls, MT	1	...	40	449	220
Columbia, SC	1	...	115	1,982	687
Erie, PA	1	2	75	3,236	1,861
Florence, CO	1	...	120	1,331	865
Ft. Dodge, KS	1	...	88	830	415
Grand Island, NE	2	1	200	3,299	1,333
Grand Rapids, MI	1	...	537	7,689	3,702
Hastings, MN	...	1	...	1,969	1,279
Hollidaysburg, PA	2	...	412	5,361	3,379
Holyoke, MA	1	9	155	2,849	1,354

Location	Projects W/ Beds	Projects W/O Beds	Number of New Beds	Total Est. Cost (000)	Actual VA Commitments/Oblig. (000)
Homelake, CO	...	4	...	$ 487	$ 314
Hot Springs, SD	...	1	...	42	27
Jackson, LA	1	...	235	8,675	5,000
King, WI	2	7	400	7,264	3,337
Lafayette, IN	2	...	250	12,532	6,126
Lisbon, ND	...	2	...	1,781	1,158
Little Rock, AR	1	...	150	1,663	1,081
Marshalltown, IA	3	13	620	23,827	14,639
Menlo Park, NJ	2	2	200	5,187	2,696
Milledgeville, GA	1	1	132	5,849	2,626
Minneapolis, MN	1	4	250	7,467	4,848
Norman, OK	1	1	50	492	246
Orting, WA	1	10	40	4,382	2,831
Quincy, IL	1	1	200	3,401	1,785
Retsil, WA	1	7	78	5,236	3,384
Rocky Hill, Ct	...	4	...	1,463	947
St. James, MO	1	1	60	1,569	858
Sandusky, OH	1	...	300	9,795	6,179
Scotts Bluff, NE	...	1	...	618	402
Sulfur, OK	...	1	...	107	69
Tilton, NH	2	...	100	2,516	1,485
Vineland, NJ	3	1	300	8,131	3,279
Yountville, CA	...	7	...	1,920	1,248
GRAND TOTALS	46	102	6,135	172,490	96,763

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VETERANS ADMINISTRATION

Grants to the Republic of the Philippines

Appropriation Language

[For payment to the Republic of the Philippines of grants as authorized by law (38 U.S.C. 631-634), $1,200,000 of which $50,000 for hospital equipment, plant, and facilities rehabilitation grants shall remain available until expended.]

Appropriation Highlights

	1980 Actual	1981 Estimate	1982 Estimate	Increase(+) Decrease(-)
	(dollars in thousands)			
Major Programs by Activity:				
Medical care and treatment of veterans	$ 1,250	$1,100	...	$- 1,100
Health service personnel training grants	50	50	...	- 50
Hospital equipment, plant and facilities rehabilitation grants	50	50	...	- 50
Appropriation	1,350	1,200	...	- 1,200
Obligations	1,390	1,202	...	- 1,202
Costs	1,335	1,202	...	- 1,202
Outlays	1,330	1,200	$ 320	- 880

Summary of Budget Request

Authorization for the extension of the program through September 30, 1981 was contained in the Veterans' Administration Programs Extension Act of 1978 (P.L. 95-520) which was approved on October 26, 1978. Since no further extension has been authorized, no resources are being requested for FY 1982.

Changes from original 1981 Budget Estimates

	1981 Budget Estimate	1981 Current Estimate	Increase (+) Decrease (-)
	(dollars in thousands)		
Major Programs by Activity:			
Medical care and treatment of veterans	$1,100	$1,100	...
Health service personnel training grants	50	50	...
Hospital equipment, plant and facilities rehabilitation grants	50	50	...
Appropriation	1,200	1,200	...
Obligations	1,200	1,202	$+ 2
Costs	1,200	1,202	+ 2
Outlays	1,200	1,200	...

Analysis of Increases and Decreases

	FY 1981 Current Estimate	FY 1982 Estimate
	(dollars in thousands)	
Prior Year Costs	$ 1,335	$ 1,202
Increases and decreases:		
Medical care and treatment of veterans	- 139	- 1,100
Health service personnel training grants	.	- 50
Hospital equipment, plant and facilities rehab	5	- 52
Estimate	1,202	...

PROGRAM SUMMARIES

Costs and Budget Authority	1980 Actual	1981 Budget Est.	1981 Current Est.	1982 Est.	Change 82 vs 81
		(dollars in thousands)			
Medical care and treatment of veterans	$ 1,239	$1,100	$1,100	...	$-1,100
Health service personnel training grants	50	50	50	...	- 50
Hospital equipment, plant and facilities rehabilitation grants	47	50	52	...	- 52
Total costs	1,335	1,200	1,202	...	-1,202
Change in selected resources (undelivered orders)	55	...	...	...	...
Total obligations	1,390	1,200	1,202	...	-1,202
Unobligated balance available: Start of year	- 53	...	- 2	...	+ 2
End of year	2	...	...	...	...
Unobligated balance lapsing	11	...	...	...	...
Budget Authority (Appropriation)	1,350	1,200	1,200	...	-1,200
Workload:					
Average daily hospital patient census	195	150	172	...	- 172
Cost per patient day	$13.60	$15.38	$13.60	...	$-13.60
Patients treated (Hospital)	3,075	2,679	2,722	...	-2,722
Average daily nursing census	3	4	2	...	- 2
Cost per patient day	$ 5.44	$4.28	$5.44	...	-$5.44
Patients treated (Nursing)	1	8	3	...	- 3
Outpatient medical visits:					
Staff	7,838	14,973	8,741	...	-8,741
Fee	499	1,165	938	...	- 938
Total	8,337	16,138	9,679	...	-9,679

GRANTS TO THE REPUBLIC OF THE PHILIPPINES

Justification of Estimates

This appropriation provides grants to the Republic of the Philippines for payment of hospital care, medical services, or nursing home care for eligible Commonwealth Army Veterans and for new Philippine Scouts in the Veterans Memorial Medical Center, or by contract, as prescribed by the Administrator. Treatment of leprosy cases is provided at the Central Luzon Sanitarium, or the Mindanao Central Sanitarium.

Public Law 80-865, approved July 1, 1948, established the grants program to assist the Republic of the Philippines in paying for hospitalization of Philippine Commonwealth Army Veterans for service-connected disabilities incurred while serving with U.S. armed forces. This act also provided for the construction of the Veterans Memorial Hospital, and authorized payments not to exceed $3,285,000 per year for five years through June 30, 1953, as reimbursement for either contract hospitalization or expenses of operation of hospital facilities constructed under the act.

Public Law 83-421, extended the five-year period of reimbursement, as contained in Public Law 80-865, for an additional five years through June 30, 1958, and authorized payments of $3,000,000 the first year, then decreasing $500,000 each year. No change was made in the provision that funds would be used either for contract hospitalization or hospital operation.

Public Law 85-461, authorized modification and extension of the program for another five years: through June 30, 1963. The law stated that beginning July 1, 1958, the total of all payments for hospitalization plus cost of travel authorized in connection with hospital care, was not to exceed $2,000,000 for any one fiscal year.

The program was extended for another five years through June 30, 1968, by Public Law 88-40. Under provisions of this law, costs for any one fiscal year were not to exceed $500,000.

Expanded authorization for Commonwealth Army Veterans with non-service-connected disabilities was granted by Public Law 89-612 which extended the program for a five year period ending June 30, 1973. It allowed reimbursement payments for hospital care when financial need existed. The legislation also made new Philippine Scouts, both service-connected and non-service-connected, eligible to receive the same coverage as Commonwealth Army Veterans. The law stipulated that the cost would not exceed $1,200,000 in fiscal year 1967 nor $2,000,000 in any one fiscal year thereafter. Further provisions authorized $100,000 for each fiscal year through 1972, for grants in support of medical research and the training of health service personnel. To upgrade and replace equipment and to rehabilitate the physical plant and facilities of the Veterans Memorial Hospital, an additional $500,000 was appropriated in fiscal year 1967 to remain available until expended.

Public Law 93-82, approved August 2, 1973 extended the program through June 30, 1978. Public Law 93-344 (Congressional Budget Act of 1974) extended the program through September 30, 1978. This law authorized an appropriation of $2,000,000 per year for the five year period for the medical care and treatment of eligible beneficiaries, including an amount not to exceed $250,000 per year for nursing home care. In addition $50,000 per year was authorized for grants for the purpose of education and training of medical personnel of the Veterans Memorial Hospital and $50,000 per year was authorized for the replacing and upgrading of equipment and rehabilitating of the hospital physical plant and facilities of the Veterans Memorial Hospital, with such funds to remain available until expended.

Public Law 95-520, the Veterans' Administration Programs Extension Act of 1978, approved October 29, 1978, extended the program through September 30, 1981. No further extension has been legislatively authorized and no additional resources are being requested in fiscal year 1982.

Historical Data

Section 632(a)(1), Title 38 U.S.C. provides that per diem rates are to be jointly determined for each fiscal year by the two Governments at a level considered to be fair and reasonable. The following table shows the actual per diem rate experienced in relation to the average daily hospital patient load, and the estimated per diem rates for fiscal year 1981.

Fiscal Year	Per Diem Rate	Census
1960	$ 9.12	212
1961	7.78	173
1962	5.82	166
1963	4.64	179
1964	4.95	149
1965	6.08	146
1966	6.38	149
1967	7.22	153
1968	7.37	453
1969	7.47	432
1970	6.98	462
1971	6.36	634
1972	6.35	743
1973	6.79	687
1974	7.85	590
1975	9.58	469
1976	9.44	433
TQ	11.03	441
1977	10.83	391
1978	12.43	301
1979	12.81	46
1980	13.60	195
1981 Est.	13.60	172

The FY 1981 ADPC estimate of 172 reflects an increase of 22 census over the 1981 Budget estimate and is based on FY 1980 actual experience.

The table below shows the costs of the program for fiscal years 1980 and 1981, and cumulative costs of the program from its inception in fiscal year 1950 to date.

Fiscal Year	Cost of Medical Care & Treatment of Veterans		Health Service Personnel Training Grants		Cost of Construction, Moderniza-tion and Maint. of Vet.Memorial Hosp.	
	Annual	Cum.	Annual	Cum.	Annual	Cum.
	(dollars in thousands)					
1980	$1,239 act.	$37,412	$ 50	$ 667	$ 47	$10,338
1981	1,100 est.	38,512	50	717	52	10,390

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ASSISTANCE FOR HEALTH MANPOWER TRAINING INSTITUTIONS
Appropriation Highlights

	1980 Actual	1981 Budget Estimate	1981 Current Estimate	1982 Estimate	Increase (+) Decrease (-)
			(dollars in thousands)		
Annual Authorization:					
Grants for New State Medical Schools.....	...	...	...	...	...
Other Health Manpower Training Institutions.	$ 15,000	$25,000	$25,000	$30,000	+$ 5,000
Total.....	15,000	25,000	25,000	30,000	+ 5,000
Appropriation:					
Grants for New State Medical Schools.....	...	...	...	...	...
Other Health Manpower Training Institutions.	...	...	...	...	...
Total.....	...	...	...	...	...
Obligations by Activity:					
Grants for New State Medical Schools.....	29,102	24,965	25,589	9,526	- 16,063
Other Health Manpower Training Institutions.	20,617	10,167	12,392	...	- 12,392
Total.....	49,719	35,132	37,981	9,526	- 28,455
Unobligated Balances Brought Forward:					
Grants for New State Medical Schools.....	68,149	35,305	39,050	13,461	- 25,589
Other Health Manpower Training Institutions.	33,009	10,167	12,392	...	- 12,392
Total.....	101,158	45,472	51,442	13,461	- 37,981
Unobligated Balance Restored:					
Grants for New State Medical Schools.....	- 3	...	...	...	...
Unobligated Balances Carried Forward:					
Grants for New State Medical Schools.....	39,050	10,340	13,461	3,935	- 9,526
Other Health Manpower Training Institutions.	12,392	...	...	...	...
Total.....	51,442	10,340	13,461	3,935	- 9,526
Outlays.....	42,406	49,529	49,529	22,005	- 27,524

Summary of Budget Request

The Veterans Administration Medical School Assistance and Health Manpower Training Act of 1972 authorized no new appropriations beyond FY 1979. It was amended by the Veterans Health Program Extension and Improvement Act of 1979 which authorized the appropriation of $15,000,000 in FY 1980, $25,000,000 in FY 1981, and $30,000,000 in FY 1982. No appropriations have been requested beyond FY 1979. Funds previously appropriated remain available for obligation and will be used to fully meet commitments approved by the Administrator.

The FY 1982 commitments are expected to require $9,526,000 to meet the costs of continuation of the faculty support and VA medical center modification projects for the five new State medical schools. This will leave $3,935,000 unobligated balance at the end of FY 1982 which will be carried forward and utilized to meet the continuation costs associated with the remaining grant to a new State medical school, scheduled for completion in FY 1983. All commitments for grants to established medical schools and other health manpower training institutions, and related projects of expansion of VA medical center education and training capacity have been met previously.

Changes from Original 1981 Budget Estimates

	1981 Budget Estimate	1981 Current Estimate	Increase (+) Decrease (-)
	(dollars in thousands)		
Appropriation by Activity:			
Grants for New State Medical Schools..	...	...	...
Other Health Manpower Training Institutions.....	...	...	...
Total.....	...	...	...
Obligations by Activity:			
Grants for New State Medical Schools..	$24,965	$25,589	+$ 624
Other Health Manpower Training Institutions.....	10,167	12,392	+ 2,225
Total.....	35,132	37,981	+ 2,849
Unobligated Balance, Start of Year:			
Grants for New State Medical Schools..	35,305	39,050	+ 3,745
Other Health Manpower Training Institutions.....	10,167	12,392	+ 2,225
Total.....	45,472	51,442	+ 5,970
Unobligated Balance, End of Year:			
Grants for New State Medical Schools..	10,340	13,461	+ 3,121
Other Health Manpower Training Institutions.....	...	...	...
Total.....	10,340	13,461	+ 3,121
Outlays.....	49,529	49,529	...

a. Grants for New State Medical Schools - The current plan for FY 1981 shows estimated obligations increased from $24,965,000 to $25,589,000; the unobligated balance at the start of the year increased from $35,305,000 to $39,050,000 and the unobligated balance carried forward into FY 1982 increased from $10,340,000 to $13,461,000. The change in obligations is necessitated by acceleration of schedules for modification and equipping of educational facilities in VA buildings. The increase in unobligated balances is a result of delays in obligation of funds for facility modification in FY 1980.

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b. Other Health Manpower Training Institutions - The current plan calls for obligation of $12,392,000 to cover FY 1981 commitments to established medical schools and other health manpower training institutions, and the related projects for the expansion of VA medical center education and training capacity. This represents funding of all the grants/awards at full commitment levels as approved by the Administrator.

Analysis of Increases and Decreases

	FY 1981 Current Estimate	FY 1982 Estimate
	(dollars in thousands)	
Prior Year Obligations	$49,719	$37,981
Increases and Decreases:		
Grants for New State Medical Schools	- 3,513	- 16,063
Other Health Manpower Training Institutions:		
Grants to affiliated medical schools	- 7,835	- 8,704
Grants to other health manpower training institutions	- 1,012	- 2,496
Expansion of VA medical center education and training capacity	+ 622	- 1,192
Estimate	37,981	9,526

General Statement

The Veterans Administration Medical School Assistance and Health Manpower Training Act (P.L. 92-541) amended Title 38 of the United States Code by adding Chapter 82, which authorized appropriations in the amount of $75,000,000 for each of seven years. The Veterans' Administration Programs Extension of 1978 (P.L. 95-520) provided for the authorization of appropriations necessary for fully meeting the commitments entered into by the Administrator prior to May 1, 1978. The Veterans Health Program Extension and Improvement Act of 1979 (P.L. 96-151) provided authorization for appropriation of $15,000,000 for FY 1980, $25,000,000 for FY 1981 and $30,000,000 for FY 1982 to support activities related to affiliated medical schools and other health manpower training institutions. A FY 1979 supplemental appropriation, combined with funds previously appropriated, allowed for full support of all approved program commitments.

Assistance in Establishment of New State Medical Schools. P.L. 92-541 provided authorization for an annual appropriation of $25,000,000 to provide assistance in the establishment of not more than eight new medical schools, within the academic framework of State universities, to be operated in affiliation with Veterans Administration medical facilities. Funds appropriated under this authority are restricted by the statute for this purpose. P.L. 96-151 amends the authority so that the Administrator may not enter into any new agreement under this subchapter after September 30, 1979.

Assistance to Affiliated Medical Schools and Other Health Manpower Training Institutions. P.L. 92-541 provided authorization for an annual appropriation of $50,000,000 to provide grants to (a) affiliated medical schools and (b) other health manpower training institutions; and for (c) expansion of VA hospital education and training capacities. P.L. 96-151 provided authorization of an annual appropriation of $15,000,000 in FY 1980, $25,000,000 in FY 1981, and $30,000,000 in FY 1982.

(a) Grants may be awarded to established medical schools which have maintained affiliations with the Veterans Administration, to assist such schools and improve their physician training capacities and to cooperate with other health manpower training institutions to improve health manpower utilization.

(b) Grants may be awarded to other health manpower institutions affiliated with the Veterans Administration to provide assistance in the establishment of programs designed to coordinate, improve and expand the training, utilization and distribution of professional and technical allied health personnel.

(c) Expansion of Veterans Administration hospital education and training capacity, is provided for necessary improvements to Veterans Administration buildings and structures, including equipment, to make them suitable for use in health manpower education and training in cooperation with other institutions and organizations; and to provide funds to Veterans Administration medical centers for the development or initiation of improved methods of educating and training health personnel. Support for this activity is specifically limited not to exceed 30% of the above $50 million or of the actual appropriation level.

GRANTS FOR NEW STATE MEDICAL SCHOOLS

Introduction

This program is authorized by 38 USC 5071-5074 and permited the VA to assist in the establishment of not more than eight new State medical schools, in close affiliation with VA medical centers. The support is provided for seven years and includes the modification and equipping of VA buildings and structures for lease to the school as educational facilities, and direct grants to contribute to the costs of faculty salaries, at a rate gradually decreasing from 90 to 50 percent over the seven-year period. Funds appropriated for this program are restricted by the statute for this purpose.

Five applications were approved by the Administrator and all are receiving grant funds. Facilities modification projects are underway at all five affiliated VA medical centers.

SUMMARY OF OBLIGATIONS

	1980 Actual	1981 Estimate	1982 Estimate	Increase (+) Decrease (-)
		(dollars in thousands)		
Obligations:				
Grants	$ 13,326	$ 12,366	$ 4,865	$- 7,501
Facilities	15,776	13,223	4,661	- 8,562
TOTAL	29,102	25,589	9,526	- 16,063
Unobligated Balance Brought Forward	- 68,149	-39,050	-13,461	+ 25,589
Unobligated Balance Restored	- 3	...	...	...
Unobligated Balance Carried Forward	39,050	13,461	3,935	- 9,526
Appropriation	...	...	...	...

Justification of Estimates

The projected requirements for FY 1982 include funds for the seventh and final year of support committed to one new medical school and the sixth year for one school. The other three schools have received their final years of support.

It is estimated that $9,526,000 will be obligated to meet the commitments in FY 1982. The unobligated balance remaining at the end of FY 1982 ($3,935,000) will be used to meet the remaining commitments that fall due in FY 1983.

Program Highlights

Grants have been made to assist in the establishment of five new State medical schools. Each of these schools is affiliated with one or more VA medical centers as a primary teaching affiliate; each has admitted students (with admissions policies providing priority to otherwise qualified veterans); each emphasizes the production of primary care physicians and the development of undergraduate and graduate educational programs toward this end; and each has developed a viable base of State support to assure its continuation when grant funding ends.

Through their new roles as partners in medical education, the affiliated VA medical centers are expanding the quality, pace, and range of health care services available to their veteran patients. For example, grant funds have permitted extensive renovation and equipping of VA facilities to accommodate the educational programs; approximately 400 physician faculty who are receiving grant salary support serve full or part-time in the VA: and growth has occurred in many areas -- both staff and service -- as a result of the increased activity occasioned by the medical school affiliation.

The current status of each of the new medical schools is as follows:

Wright State University, in affiliation with the Dayton VA Medical Center, has admitted five classes of students: 32 in 1976, 48 in 1977, 76 in 1978, 100 in 1979 and 100 in 1980. Medical school faculty has grown to 170 full-time equivalents and a faculty practice group has been established.

The University of South Carolina, in affiliation with the Columbia VA Medical Center, has admitted four classes of students: 24 in 1977, 36 in 1978, 39 in 1979 and 48 in 1980. The faculty, including volunteer faculty and joint appointments with affiliated hospitals, exceeds 270 with 96 full-time equivalents, and a faculty practice plan is in operation.

Texas A&M University, in affiliation with the Temple VA Medical Center, admitted classes of 32 students in 1977, 1978, 1979 and 1980. All basic science department head positions are filled and clinical faculty appointments number 80, including 30 at the VAMC, and total clinical faculty is 267.

Marshall University, in affiliation with the Huntington VA Medical Center, admitted its first class of 24 students in January 1978, a second class of 24 in September 1978, and classes of 36 in 1979 and 1980. Recruitment of faculty, including department chairmen, is nearing completion at 60 full-time equivalents; in addition, some 200 part-time community faculty serve voluntarily.

East Tennessee State University, in affiliation with the Mountain Home VA Medical Center, admitted a charter class of 24 in 1978, a class of 32 in 1979, and a class of 48 in 1980. Basic science faculty has reached full functional capability and nearly all clinical chairs have been appointed, for a total of 118 full-time-equivalents, including 15 at the VAMC.

OTHER HEALTH MANPOWER TRAINING INSTITUTIONS

Grants to established medical schools assist them to expand and enhance medical education programs through broadened involvement of the Veterans Administration's medical centers with which they are affiliated. Eighteen such grants initiated in 1974 and 1975 involve the development and strengthening of clinical departments, the addition of "clinical campuses" organized around VA medical facilities distant from parent medical centers, and the conversion of two-year medical schools to full degree-granting programs.

Of the 102 grants initiated in 1974 and 1975 for support of programs in other health manpower institutions which directly involve VA medical facilities as clinical affiliates, 18 remain active in 1982. Funds included in a supplemental appropriation for 1977 made possible the full, multiple-year funding of 33 additional grants in this program. These grants were made on the basis of applications which had been selected for approval in 1975 and 1976 but for which appropriations had not been available.

The use of funds included in this appropriation for expansion of VA hospital education and training capacity has been generally limited to small projects to improve the educational facilities in VA hospitals or clinics which are affiliates of grantees under one of the other two authorized programs in order to assure the fullest possible participation of the VA and its employees.

Summary of Obligations by Activity

	1980 Actual	1981 Estimate	1982 Estimate	Increase (+) Decrease (-)
		(dollars in thousands)		
Obligations by Activity:				
Grants to Affiliated Medical Schools	$ 16,539	$ 8,704	...	$- 8,704
Grants to Other Health Manpower Institutions	3,508	2,496	...	- 2,496
Expansion of VA Hospital Education & Training Capacity	570	1,192	...	- 1,192
Total	20,617	12,392	...	- 12,392
Unobligated Balance Brought Forward	- 33,009	12,392	...	+ 12,392
Unobligated Balance Carried Forward	12,392	...	...	...
Appropriation	...	...	...	...

PROGRAM HIGHLIGHTS

Grants have been made to 18 existing affiliated medical schools for a variety of purposes, which can be classified in four main groups.

Many grants support general expansion and improvement in areas such as refining, modifying, and improving the medical school curriculum; developing and strengthening individual clinical departments; and diversifying and enhancing clinical affiliations. The Eastern Virginia Medical School, for example, is a new community-based school which is receiving grant assistance for the further development, improvement, and expansion of its medical education capabilities, in affiliation with the Hampton VA Medical Center.

Grants also support special projects for experimenting with curriculum design; initiating special emphasis in primary care, preventive medicine, ambulatory care, and geriatric care; and conducting programs geared toward the needs of students transferring from foreign medical schools. The Gainesville VA Medical Center and the University of Florida, College of Medicine, are cooperating in a project designed to develop the resources of a four-county rural health care and education program, and expanding their own ambulatory care capabilities to provide increased learning opportunities in primary care.

The Universities of North and South Dakota received grants to convert their two-year medical school programs to M.D. degree-granting institutions, with substantial clinical reliance on the Fargo and Sioux Falls VA Medical Centers.

Finally, grant support has aided the creation and expansion of two-year clinical outreach campuses to provide geographically dispersed facilities with practice settings and service constituencies. VA Medical Centers in Wichita, Kansas; Fresno, California; Muskogee, Oklahoma; Tuscaloosa, Alabama; and Marion, Illinois have become associated with such clinical campuses.

The 18 grantees have achieved an aggregate 30 percent increase in undergraduate enrollment, and most are also enhancing their graduate (e.g. family practice and other primary care residencies) and continuing medical education programs. In addition, grant budgets contain salary support for more than 325 physician faculty who also serve VA patients in the course of carrying out their clinical teaching activities.

One hundred thirty-five grants have been made to other health manpower training institutions, in affiliation with VA Medical Centers to initiate new health manpower education programs, expand and improve existing programs, provide continuing education for area (including VA) health personnel, demonstrate improved manpower utilization and interdisciplinary activities, and provide career ladder opportunities.

Grantees include academic institutions and community-based consortia of health care and educational institutions with programs in the gamut of traditional allied health disciplines as well as nursing, optometry, dental auxiliaries, social work, pharmacy, and podiatry. The grant program is designed to support the comprehensive development of health manpower and promote training at various career levels; about half the activities are directed toward educational endeavors at the baccalaureate level, one quarter below the baccalaureate level and the remaining quarter at the post-baccalaureate and continuing education levels. Although the majority of grant-supported activities involve the expansion, enrichment, and modification of existing programs, nearly one-third have established educational curricula new to the individual institutions - either as new programs in established health occupations or as "new health career." There has been a 60 percent increase in enrollment in grant-supported programs of basic education since the year prior to the initiation of grant assistance.

These grants have enhanced the VA's ability to recruit and retain health services staff, have furnished VA-based faculty in a wide range of health disciplines, have provided continuing education opportunities for VA staff, and have contributed to the utilization of VA medical centers as community resources. They have built on the VA's unique clinical capabilities and patient population and have been directed toward the needs of the VA in such areas as education in interdisciplinary services to the aging, ambulatory and extended care, and a variety of rehabilitation fields.

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VETERANS ADMINISTRATION

CANTEEN SERVICE REVOLVING FUND

PROGRAM HIGHLIGHTS

	FY 1980 Actual	1981 Estimate	1982 Estimate	Increase (+) Decrease (-)
		(dollars in thousands)		
Total Revenue	$149,392	$153,929	$166,766	$+12,837
Obligations	146,054	154,725	166,332	+11,607
Costs	145,172	153,590	165,164	+11,574
Outlays	-887	-143	-1,550	-1,407
Average employment	3,442	3,604	3,604	...

Summary of Budget Request

No Congressional action is required.

Changes from Original 1981 Budget Estimate

	1981		
	Budget Estimate	Current Estimate	Increase (+) Decrease (-)
Total Revenue	$152,973	$153,929	$+956
Obligations	153,769	154,725	+956
Costs	152,634	153,590	+956
Outlays	-143	-143	...
Average employment	3,604	3,604	...

Summary of Changes from Original 1981 Budget Estimates

The change from the original 1981 budget estimate to the current estimate is based on the current sales trend and reflects the anticipated growth over actual FY 1980 results.

No change in program service or content is anticipated.

VETERANS ADMINISTRATION

CANTEEEN SERVICE REVOLVING FUND

ANALYSIS OF INCREASES OR DECREASES

	FY 1981 Current Estimate	FY 1982 Estimate
	(dollars in thousands)	
Prior year costs	$145,172	$153,590
Increases and Decreases:		
Cost of sales	6,568	10,011
Civilian pay raise	956	...
Civilian pay raise annualization	...	10
Salaries and wages	-666	1,801
Operating expenses	-154	552
Indirect expenses	334	134
Unfunded adjustment	-59	-60
Capital outlay	1,439	-874
Estimate	153,590	165,164

Explanation of Increases and Decreases

The increase in cost of sales is directly attributable to the anticipated increase in sales revenue based on current sales trends.

The decrease in salary and wages in FY 1981 is a result of a hiring freeze initiated in FY 1980. The increase in salary and wages in FY 1982 is the result of anticipated increased labor costs under the Non-Appropriated Fund Salary Law and the Minimum Wage Law.

The net increases in operating expenses and indirect expenses reflect the normal increased costs as related to sales volume increases.

The unfunded adjustment decrease is the result of increased depreciation charges resulting from an increase in furniture, fixtures and equipment.

The capital outlay increase in FY 1981 reflects anticipated cost of the Veterans Canteen Service finance consolidation computer and the necessary satellite equipment for upgrading of canteen reporting to the Finance Center in St. Louis, Missouri. The FY 1982 reduction represents normal activity.

CANTEEN SERVICE REVOLVING FUND

No appropriation by the Congress will be required for the operation of the Veterans Canteen Service during Fiscal Year 1982. The Veterans Canteen Service was established by Congress in 1946 to furnish at reasonable prices merchandise and services necessary to the comfort and well-being of veterans in hospitals and domiciliaries operated by the Veterans Administration (38 U.S.C. 4201-08).

The Congress originally appropriated a total of $4,965,000 for the operation of the Veterans Canteen Service and no additional appropriations have been required. Funds in excess of the needs of the Service totaling $12,068,000 have been paid to the Treasury.

Capital Requirements

At the end of Fiscal Year 1980 there were canteens in operation at all VA Hospitals and Domiciliaries. Capital requirements for operation of the Veterans Canteen Service for Fiscal Year 1982 are as follows:

Cash

Petty Cash and Change Funds: A total sum of $350,000 is considered necessary for the purpose of making limited local purchases, paying incidental operating expenses and providing adequate change requirements. Such funds are established in amounts commensurate with the size and requirements of each individual canteen.

At the Field Station Depositaries: It is estimated that $1,000,000 will be required for the maintenance of field station depositary accounts.

At the Field Offices and Central Office: It is estimated that the capital requirements for five field offices and Central Office will amount to $18,306,000. This will provide the cash advance of $4,000,000 required by the U. S. Treasury for payroll purposes under the Veterans Administration automated payroll system, and a portion of the funds required for payment of outstanding liabilities.

Accounts Receivable and Other Assets

It is estimated that accounts receivable and other assets will be $950,000.

Inventories - Commodities for Sale

Retail Departments: It is estimated that a retail inventory of $16,750,000 is required.

Food Departments: It is estimated that a food department inventory of $1,500,000 is required.

Service Departments: It is estimated that a service department inventory of $53,000 is required.

Equipment

Capital requirements for remodelings and replacement of worn-out equipment during Fiscal Year 1982 are estimated to be $2,445,000.

Operating Results

It is expected that sales will amount to $166,766,000 in Fiscal Year 1982 and that a net income of $2,332,000 will be realized.

Personnel Requirements

In the area of manpower control and utilization, the Veterans Canteen Service uses many of the techniques that are generally applied in commercial retail chain store and cafeteria operations. Major consideration is given to salary expense in relation to sales. Salary expense data are provided to management personnel periodically for each department in each canteen, as well as consolidated data for each field office and the total Veterans Canteen Service. These data are compared to the corresponding period for the previous year and to the budget. This has been and will continue to be an effective control.

Employment

The following Full Time Equivalent employment compare fiscal year 1980 through 1982.

Actual	1981		Estimate	Increase (+)
	Budget	Current		Decrease (-)
1980	Estimate	Estimate	1982	1982 vs. 1981
3,442	3,604	3,604	3,604	...

Financial Condition

The current assets of the Veterans Canteen Service consist of cash, accounts receivable, merchandise inventories, and other assets. At the close of fiscal year 1982 it is expected that cash on hand and on deposit will be $19,656,000. It is estimated that accounts receivable, consisting mainly of amounts due from personal funds of incompetent patients will be $950,000. A capital investment in inventory of $18,303,000 will be required. Other assets should amount to $20,000. Current assets are estimated to be $38,929,000. Current liabilities are estimated to be $11,901,000. This amount will be made up of trade accounts payable, accrued payrolls, accrued leave, and other current liabilities. The total working capital (current assets less current liabilities) as detailed above will amount to $27,028,000. It is estimated that the net investment in equipment will amount to $14,643,000.

Revenue and Expense

	Actual	1981		Estimate	Increase (+)
		Budget	Current		Decrease (-)
	1980	Estimate	Estimate	1982	1982 vs. 1981
		(dollars in Thousands)			
Sales Program:					
Revenue	$149,392	$152,973	$153,929	$166,766	$+12,837
Expense (-)	-144,883	-150,515	-151,921	-164,429	-12,508
Net operating income sales program	4,509	2,458	2,008	2,337	+ 329
Non Operating income or Loss (-):					
Proceeds from sale of equipment	34	70	70	75	+ 5
Net book value of assets sold (-)	-129	-200	-150	-150	...
Net loss from sale of equipment	-95	-130	-80	-75	+ 5
Miscell. income	-352	125	125	70	-55
Net non-operating income or loss	-447	-5	45	-5	-50
Net income for the year	4,062	2,453	2,053	2,332	+ 279

Financial Condition

	Actual 1980	1981 Budget Estimate	1981 Current Estimate	Estimate 1982
		(dollars in thousands)		
Assets:				
Cash with Treasury, in banks, on hand and in transit.....	$17,963	$18,237	$18,106	$19,656
Accounts receivable (net).....	1,833	900	950	950
Inventories.....	17,202	16,722	17,533	18,303
Other assets (net).....	14	10	20	20
Real property, equipment and leasehold (net).....	12,229	15,955	13,898	14,643
Total assets.....	49,241	51,824	50,507	53,572
Liabilities:				
Accounts payable & accrued liabilities.....	9,200	10,627	8,274	8,847
Unfunded annual leave and coupon books	2,755	2,604	2,894	3,054
Total liabilites.....	11,955	13,231	11,168	11,901
Government equity:				
Unexpended budget authority:				
Unobligated balance.....	5,962	2,068	5,361	5,940
Undelivered orders.....	4,648	6,452	5,452	5,850
Invested capital.....	26,676	30,073	28,526	29,881
Total Government equity...	37,286	38,593	39,339	41,671

Government Equity

	Actual 1980	1981 Budget Estimate	1981 Current Estimate	Estimate 1982
		(dollars in thousands)		
Paid in capital:				
Opening balance.....	$ 374	$ 374	$ 376	$ 376
Closing balance.....	376	374	376	376
Retained income:				
Opening balance.....	32,848	35,766	36,910	38,963
Transactions:				
Net operating income.....	4,509	2,458	2,008	2,337
Net nonoperating income.....	-447	-5	45	-5
Closing balance.....	36,910	38,219	38,963	41,295
Total Government equity (end of year)	37,286	38,593	39,339	41,671

VETERANS ADMINISTRATION
Special Therapeutic and Rehabilitation Activities Fund

Introduction

This revolving fund, established pursuant to the Veterans Omnibus Health Care Act of 1976, Public Law 94-581, approved October 21, 1976, provides a mechanism for the furnishing of rehabilitative services to certain veteran beneficiaries who are receiving medical care and treatment from the Veterans Administration.

Fund Highlights

	1980 Actual	1981 Estimate	1982 Estimate	Increase(+) Decrease(-)
	(dollars in thousands)			
Major Activities or Programs:				
Rehabilitation of veteran beneficiaries, costs/ obligations.....	$ 1,968	$ 2,066	$ 2,082	$+ 16
Appropriation.....	..	..	..	..
Outlays.....	- 191	- 255	- 257	- 2

Summary of Budget Request

This is a self-sustaining fund and no appropriation is requested. Funds to operate the various rehabilitative activities and provide for the therapeutic work for remuneration of patients and members in Veterans Administration health care facilities will be derived from contractual arrangements with private industry or nonprofit entities.

Changes from Original 1981 Budget Estimates

	Budget Estimate	1981 Current Estimate	Increase(+) Decrease(-)
		(dollars in thousands)	
Appropriation.....	...	...	...
Costs/Obligations....	$2,066	$2,066	...
Outlays.....	- 255	-255	...

Revenue and Expense

	1980 Actual	1981 Estimate	1982 Estimate
	(dollars in thousands)		
Revenue	$2,175	$ 2,066	$ 2,082
Expense	-1,949	-2,066	-2,082
Net operating income	226	...	...

Statement of Financial Condition

	1980 Actual	1981 Estimate	1982 Estimate
	(dollars in thousands)		
Assets:			
Fund Bal.with Treasury	$ 592	$ 847	$ 1,104
Accounts receivable(net)	141	141	141
Other assets	85	85	85
Total assets	819	1,073	1,330
Liabilities:			
Accounts payable including funded accrued liabilities	88	342	599
Government Equity	731	731	731

VETERANS ADMINISTRATION

CONSTRUCTION AND OPERATION OF GARAGE AND PARKING FACILITIES

APPROPRIATION LANGUAGE

In addition to the resources available, $4,692,000 for construction, alteration, operation and maintenance of garages and parking facilities as authorized by Section 5009 of Title 38, United States Code.

EXPLANATION

This revolving fund established pursuant to the Veterans' Health Care Amendments of 1979, Public Law 96-22, approved June 13, 1979, provides a mechanism of collecting funds from employees to operate medical employee parking facilities.

APPROPRIATION/FUNDING HIGHLIGHTS

(Dollars in Thousands)	1980 Actual	1981 Estimate	1982 Estimate	Increase (+) Decrease (-)
Appropriation	...	...	$4,692	$+4,692
Costs/Obligations	$110	$250	4,692	+4,442
Outlays	-122	-160	4,692	+4,852

SUMMARY OF BUDGET REQUEST

Operations of this revolving fund will be financed through:

a) Fees collected from VA employees utilizing garages and parking facilities on reservations of medical facilities (to include leased facilities).

b) Appropriations authorized under the provisions of Section 5009 (c)(1) of Title 38, United States Code.

This is the first time an appropriation is requested for this fund. Anticipated collections are insufficient to cover projected expenditures. Projections of expenditures are based on an analysis of similar costs incurred system-wide in prior years. Previously, operation and maintenance of garages and parking facilities has been budgeted as part of the Medical Care Appropriation with construction and alteration funded from the Construction appropriations.

REVENUE AND EXPENSE
(Dollars in Thousands)

	1980 Actual	1981 Estimate	1982 Estimate
Revenue	$230	$ 400	$ 500
Expense	-110	-250	-5,079
Net operating income or loss (-)	$121	$ 150	$-4,579

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STATEMENT OF FINANCIAL CONDITION
(Dollars in Thousands)

	1979 Actual	1980 Actual	1981 Estimate	1982 Estimate
Assets:				
Real property and equipment	...	$ 10	$110	$223
Fund balance with Treasury	...	110	161	161
Total Assets	...	$121	$271	$384
Government Equity:				
Unexpended balances: Unobligated balance	...	$ 10	$110	$223
Invested Capital	...	110	161	161
Total Government Equity	...	$121	$271	$384
Analysis of Changes in Government Equity:				
Paid-in capital:				
Opening balance		...	...	...
Appropriations		...	...	$4,692
Closing balance		...	...	$4,692
Retained income or deficit (-):				
Opening balance		...	$121	$ 271
Net operating income		$121	150	-4,579
Closing balance		$121	$271	$-4,308
Total Government Equity (end of year)		$121	$271	$ 384

VETERANS ADMINISTRATION

GENERAL POST FUND

FUND HIGHLIGHTS

	1980 Actual	1981 Estimate	1982 Estimate	Increase (+) Decrease (-)
	(dollars in thousands)			
Appropriation (permanent, indefinite)	$7,414	$7,500	$7,800	$ + 300
Costs/Obligations	6,344	6,800	7,100	+ 300
Outlays	6,186	6,800	7,100	+ 300

Summary of Budget Request

Operations of this trust fund are financed from fund receipts. This fund has been provided permanent indefinite budget authority and requires no further action on the part of Congress.

Changes from original Budget Estimates

	1981 Budget Estimate	1981 Current Estimate	Increase (+) Decrease (-)
	(dollars in thousands)		
Appropriation (permanent, indefinite)	$7,000	$7,500	$+ 500
Costs/Obligations	6,300	6,800	+ 500
Outlays	6,300	6,800	+ 500

The estimated appropriation, costs - obligations and outlays are based upon actual experience through September 30, 1980.

Program Activity

This fund consists of gifts, bequests, and proceeds from the sale of property left in the care of VA facilities by former beneficiaries who die leaving no heirs or without having otherwise disposed of their estate. Such funds are used to promote the comfort and welfare of veterans at hospitals and homes where no general appropriation is available (38 U.S.C., Chapters 83 and 85).

It is estimated that obligations under the fund for fiscal years 1981 and 1982 will approximate $6,800,000 and $7,100,000 respectively. The obligations are consistent with the purposes for which proceeds from the fund may legally be expended, (Comptroller General's Decision B-125715, November 10, 1955), and the intent of the donors. Donors usually specify that their donations be used for designated recreational or religious projects or equipment purchases.

An invested reserve of approximately $2,746,000 will be maintained in both fiscal years 1981 and 1982 to meet claims for estate settlement, which must be held in trust for a legal period of five years after the demise of intestate veteran beneficiaries. The level of retained investment will approximate five times the total amount paid on claims during the preceding 5-year period, in accordance with an agreement with the Comptroller General.

Cash receipts from donations and estates for fiscal years 1981 and 1982 are estimated to be $7,300,000 and $7,600,000 respectively.

GENERAL POST FUND

Statement of Financial Actions and Condition

	1980 Actual	1981 Budget Estimate	1981 Current Estimate	1982 Estimate	Increase (+) Decrease (-)
	(dollars in thousands)				
Balance beginning of period:					
Equip. & Facilities..	$12,942	$14,082	$14,227	$15,537	+ $ 1,310
Investments.....	2,365	2,365	2,746	2,746	...
Cash	6,929	7,629	7,619	8,319	+ 700
Total.....	22,236	24,076	24,592	26,602	+ 2,010
Increase during period:					
Equip. & Facilities..	1,285	1,165	1,310	1,332	+ 22
Interest on invest...	184	180	200	200	...
Cash receipts from donations, estates, etc.....	7,230	6,820	7,300	7,600	+ 300
Total Increase.....	8,699	8,165	8,810	9,132	+ 322
Decrease during period:					
Supplies & services..	6,295	6,220	6,720	7,020	+ 300
Settlement of estates and claims.....	48	80	80	80	...
Total....	6,343	6,300	6,800	7,100	+ 300
Balance at end of period:					
Equip. & Facilities..	14,227	15,247	15,537	16,869	+ 1,332
Investments.....	2,746	2,365	2,746	2,746	...
Cash.....	7,619	8,329	8,319	9,019	+ 700
Total.....	24,592	25,941	26,602	28,634	+ 2,032

VETERANS ADMINISTRATION
SUPPLY FUND

Supply Fund Highlights

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate	Increase (+) Decrease (-)
		(dollars in thousands)		
Appropriation	...	...	...	...
Obligations	$ 418,130	$516,024	$556,760	$+40,736
Costs	421,696	504,875	545,760	+40,885
Outlays	-4,249	5,000	...	-5,000
Average employment (jurisdictional)	679	696	696	...

Summary of Budget Request

No Congressional action is required to support the projected Supply Fund program for FY 1982.

Changes from Original 1981 Budget Request

	1981		
	Budget Estimate	Current Estimate	Increase (+) Decrease (-)
		(dollars in thousands)	
Appropriation	...	...	...
Obligations	$ 550,748	$ 516,024	$ -34,724
Costs	548,748	504,875	-43,873
Outlays	...	5,000	+5,000
Average employment (jurisdictional)	696	696	...

Obligations

The original budget estimate was based upon an anticipated growth in cost of goods sold in FY 1980 that did not take place.

Costs

This reduction is attributable to the reduced cost of goods sold.

Outlays

The $5 million increase in outlays will finance a projected 10% growth in inventory.

Analysis of Increases and Decreases

	FY 1981 Current Estimate	FY 1982 Estimate
	(dollars in thousands)	
Prior Year Costs	$ 421,696	$ 504,875
Increases and Decreases:		
Civilian pay raise	749	...
Civilian pay raise annualization	...	28
Salaries and benefits	811	275
Costs of goods sold	80,355	40,455
Operating expenses	1,175	227
Capital investment for Fund use	89	-100
Estimate	504,875	545,760

In FY 1981 the increase in salaries and benefits is attributable to projected wage board increases, annualization of FY 1980 increases, and periodic step increases. In FY 1982 the rise is attributable to the annualization of FY 1981 wage board increases and to periodic step increases.

In FY 1981 and FY 1982 cost of goods are projected to rise 20% and 8% respectively.

In FY 1981 and FY 1982 the increase in operating expenses is due to increased costs for travel, postage, and utilities. The larger increase in FY 1981 is due partially to a one time expense for roof repair, of roughly $400,000.

The increased capital investment expense in FY 1981 is due to the projected purchase of additional equipment for the printing and reduction service.

SUPPLY FUND

General Statement

The Supply Fund was established July 1, 1953, without fiscal year limitation for all expenses necessary for the operation and maintenance of a supply system for the Veterans Administration. Its objective is to provide quality support to all programs in the Veterans Administration and to assure the greatest return for every dollar spent for the acquisition and distribution of supplies and equipment.

The system provides supply support for a Veterans Administration nationwide health distribution system of 172 hospitals, 100 nursing homes, 16 domiciliaries and 229 outpatient clinics. The total average daily inpatient census planned in Veterans Administration Facilities for FY 1982 will be 80,418, patients treated will be 1,267,054, and Veterans Administration staff outpatient medical visits will be 16,129,000.

Veterans Administration activities which receive supply support for providing benefits other than health to veterans, are 58 regional offices, each of which has one or more separate veterans assistance offices, 5 major data processing centers, and a national cemetery system.

Since the establishment of the Supply Fund, and because of the effectiveness of the national buying system, supply support has been extended to over 700 other Government agency installations that require medical, hospital and subsistence items. The service at Veterans Administration hospitals has been expanded to support a number of small installations of other Government agencies located in the same vicinity. During FY 1980 other Government agencies purchased approximately $170,000,000 worth of supplies from the Veterans Administration Supply Depots or through contracts consummated by the Veterans Administration Marketing Center.

Program Notes

The operation of the Supply Fund is under the direction of the Assistant Administrator for Supply Services, and is an integral function within the total supply program.

Three depots, a marketing center and a publications service are operated through the Supply Fund. The Supply Fund is used for purchasing, warehousing and distributing supplies and equipment which are used in quantities large enough to realize savings through a central purchase or stock system.

A service and reclamation division and a library cataloging and periodical service are also part of the depot's service to field activities.

Supply Fund Financing provides for the following:

1. A national buying system for the procurement of supplies, equipment and services. National buying is designed to consolidate requirements and purchases of all items for which there is a cost advantage through volume buying and distribution. Included in the costs are salaries and related operating costs of this national buying program.

2. The management and operation of the Veterans Administration Supply Depots for economical storage and distribution, including salary costs, transportation and shipping costs and other related operating expenses.

3. A service and reclamation program for the repair and reclamation of supplies and equipment nationwide, and for providing laboratory inspection and testing services for technical instruments, equipment and supplies. In addition, teams of skilled technicians conduct surveys of hospital medical equipment on a scheduled basis. They evaluate present condition, effectiveness of maintenance, life expectancy and operating and performance safety.

4. A program of reclaiming silver from X-ray film and solutions at health care facilities.

5. A national buying system for the procurement, printing and distribution

of forms, form letters, publications (manuals, circulars, etc.) and other printed material, as authorized by the Joint Committee on Printing; and operation of a Publications Depot for economical storage and distribution of forms and publications.

6. Purchases by individual field activities for inventory from General Services Administration and other mandatory sources, as well as procurement from vendors or local distributors for those items which cannot be provided more economically through a national buying program.

7. A system for agency supply standardization and cataloging, personal property management of depot and centrally procured items and for financing of warehouse inventories.

8. A program to provide subscriptions and book cataloging service to Veterans Administration hospital patient and medical libraries, as well as administrative periodicals is a part of the depot operation.

SUPPLY FUND FINANCING

The Supply Fund is a self-sustaining revolving fund. It recovers operating expenses by applying a mark-up to items sold, (averaging about 6% of cost of goods sold). Retained earnings are used to finance growth in inventory and undelivered orders.

WORKLOAD

Actual sales through the Supply Fund for the past two years were $382,400,241 for FY 1979 and $431,314,503 for FY 1980. Sales are projected at $503,000,000 for FY 1981 and $548,000,000 for FY 1982. This is an anticipated increase of 43% over the four-year period. It is estimated that the average overall staff years for Supply Fund merchandising operations during the same period will increase from 641 staff years in FY 1979 to an estimated 648 in FY 1982.

EMPLOYMENT

Two types of employees are charged to the Supply Fund. The first is responsible for the various phases of the merchandising activity and the second for the management of field supply activities.

The following table provides a comparative analysis of average employment for Supply Fund operations for Fiscal Years 1980 through 1982.

Activity	FY 1980 Actual	FY 1981 Budget Estimate	FY 1981 Current Estimate	FY 1982 Estimate
Merchandising:				
Depot Operations	420	432	428	428
Marketing	83	87	90	90
Publications Service	129	137	130	130
Total Merchandising	632	656	648	648
Management of Field Activities	61	54	62	62
Socio-Economic staff	6	6	6	6
Total Supply Fund Average Employment (Net)	699	716	716	716
Common Services	-20	-20	-20	-20
Total Average Employment (Jurisdictional)	679	696	696	696

Supply Fund Financial Condition (in thousands of dollars)

Assets:	Actual 1980	1981 Budget Estimate	1981 Current Estimate	Estimate 1982
Treasury balance	$106,313	$ 93,063	$101,313	$101,313
Accounts receivable, Net	23,269	17,000	25,000	27,000
Advances	147	800	251	301
Commodities for sale	99,189	105,000	109,189	119,189
Fixed assets, Net	1,580	1,731	1,858	2,032
Total assets	230,499	217,594	237,611	249,835
Liabilities: Current	42,698	44,595	44,000	46,000
Government equity:				
Noninterest-bearing capital	172,999	172,999	172,999	172,999
Retained earnings	14,802	...	20,612	30,836
Total Government equity	187,801	172,999	193,611	203,835

Revenue, Expense and Retained Earnings (in thousands of dollars)

Sales Program:	Actual 1980	1981 Budget Estimate	1981 Current Estimate	Estimate 1982	1982 vs 1981
Revenue	$ 436,629	$548,558	$510,408	$555,810	$+45,402
Expense	- 421,468	-548,533	-504,573	-545,561	-40,988
Net operating income	15,161	25	5,835	10,249	+4,414
Nonoperating loss:					
Net book value of assets sold (-)	-14	-25	-25	-25	...
Nonoperating loss	-14	-25	-25	-25	...
Net income for the year	15,147	...	5,810	10,224	+4,414
Analysis of Retained Earnings:					
Retained earnings of deficit(-) start of year	-345	...	14,802	20,612	+5,810
Retained earnings end of year	14,802	...	20,612	30,836	+10,224

SUPPLY FUND INVENTORY AND SALES DATA
(IN THOUSANDS)
FY 1980

Supplies and Equipment

	Average Monthly Inventory			Sales	Ratio of sales
	Field Stations	Supply Depot	Total	Goods	to inventory
Food	$ 4,084	$12,351	$16,435	$ 46,217	2.8
General Supplies	4,689	756	5,445	36,190	6.6
Drugs & Medicines	19,530	27,212	46,742	150,502	3.2
Other Medical Supplies	13,023	11,076	24,099	108,290	4.5
Equipment	...	524	524	74,268	...
Fuel	33	...	33	117	3.5
Standby	...	...	...	82	...
Stocks Withdrawn for Shipment (Unclassified)	...	1	1	...	...
Repair Service (S&R)	...	...	...	1,140	...
	41,359	51,920	93,279	416,806	4.5
In transit between depots & stations			6,543	...	...
Service and Reclamation (S&R storeroom stocks)			191	...	...
S&R Work in Process			133	...	...
Sub Total			100,146	416,806	4.2
Publication Service Forms, letters			...	14,509	...
Work in process			31	...	...
Total			100,177	431,315	4.3

Footnote: Data provided in this table relate sales to average monthly inventory investment. Sales figures differ from revenue due to discounts and other reimbursable earnings which are not identified as sales.

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CONSOLIDATED SUMMARY OF 1982 REQUEST
(In Thousands of Dollars)

CONSTRUCTION PROJECTS:

A. Medical Program:	
Replacement and Modernization	$ 81,649
Nursing Home Care	65,350
Outpatient Improvements	107,000
Other Improvements	255,341
Advance Planning Fund	(16,000)
General Projects	(30,975)
Miscellaneous Projects $100,000 - $400,000	(47,814)
Clinical Improvements	(93,333)
Elevators	(865)
Correction of Seismic Deficiencies	(28,835)
Elimination of Safety Hazards	(19,896)
Correction of Electrical Deficiencies	(4,900)
Energy Conservation	(12,723)
Sub-Total - Medical Programs	509,340
B. National Cemetery Program	6,390
C. General Administration	31,179
Net Appropriation Request	$ 546,909

SUMMARY OF MARCH REVISIONS

ITEM		(Dollars in Thousands) Effects FY 1981	FY 1982
Construction Major Projects			
Cancellation of Baltimore and Camden Hospital Projects	BA	-$162,160	-$ 8,000
	Outlays	- 16,000	- 41,000
Deferral of 9 Projects: Brooklyn (St. Albans), NY - Laundry; Chillicothe, OH - Modernization; Denver, CO - Clinical Addition; East Orange, NJ - Environ. Improvements; Gainesville, FL - Clinical Improvements; Long Beach, CA - Research; New Orleans, LA - Clinical Addition; Palo Alto, CA - Surgical Addition; Washington, D.C. - NHC/Parking Garage	BA	-0-	- 65,586
	Outlays	- 12,000	- 50,000
Energy Conservation	BA	-0-	+ 2,586
	Outlays	-0-	+ -0-
TOTAL CONSTRUCTION MAJOR PROJECTS	BA	-$162,160	-$71,000
	Outlays	- 28,000	- 91,000
Construction Minor Projects			
Minor Projects	BA	-0-	-$30,000
	Outlays	-0-	- 6,000
General Administration (Employment)	BA	-$ 400 (-14 FTE)	- 2,000 (-61 FTE)
	Outlays	- 400	- 2,000
TOTAL CONSTRUCTION MINOR PROJECTS	BA	- 400	- 32,000
	O	- 400	- 8,000
TOTAL CONSTRUCTION PROGRAM	BA	-$162,560	-103,000
	O	-$ 28,400	- 99,000

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CONSTRUCTION, MAJOR PROJECTS

Appropriation Language

"For constructing, altering, extending and improving any of the facilities under the jurisdiction or for use of the Veterans Administration, or for any of the purposes set forth in sections 1004, 1006, 5002, 5003, 5006, 5008, 5009, 5010 of title 38, United States Code, including planning, architectural and engineering services and site acquisition where the estimated cost of a project is $2,000,000 or more or where funds for a project were made available in a previous major project appropriation. [~~423,774,000~~] ~~$500,930,000~~ to remain [261,614,000] #429,930 available until expended: Provided, That except for advance planning of projects funded through the Advance Planning Fund none of these shall be used for any project which has not been considered and approved by the Congress in the budgetary process."

Appropriation/Fund Highlights

	FY 1980 Actual	1981 Estimated	1982 Estimate	Increase (+) Decrease (-)
		(Dollars in Thousands)		
Appropriation	321,292	261,614 ~~423,774~~	429,930 ~~500,930~~	+ 6,156 ~~77,156~~
New Budget Authority	321,292	261,614 ~~423,774~~	429,930 ~~500,930~~	+ 168,316 ~~77,156~~
Obligations	382,761	334,113 ~~475,104~~	492,788 ~~661,851~~	+ 158,675 ~~186,747~~
Cost	182,713	267,159 ~~302,671~~	403,945 ~~465,192~~	+ 136,786 ~~162,515~~
Outlays	189,506	245,965 ~~276,965~~	352,143 ~~443,143~~	+ 106,178 ~~166,178~~
Average Employment	8	23	23	...

General Statement

The Construction, Major Projects appropriation provides for constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Veterans Administration, including planning, architectural and engineering services, site acquisition, and art in architecture where the estimated cost of a project is $2,000,000 or more.

SUMMARY OF 1982 REQUEST

A construction program of ~~$500,930,000~~ $429,930,000 is recommended for FY 1982 to be financed with new budget authority (appropriation) of ~~$500,930,000~~ $429,930,000. A summary of the program funding level by activity follows:

	FY 1982 Request (In Thousands of $)
Construction Projects :	
A. Medical Program	
Replacement and Modernization	~~$141,741~~ $1,649
Nursing Home Care	65,350
~~Research and Education~~	~~800~~
Outpatient Improvements	107,000
Other Improvements	~~182,149~~ 172,341
Advance Planning Fund	(16,000)
General Projects	~~(59,998)~~ (17,304)
Clinical Improvements	(85,393)
Correction of Seismic Deficiencies	(28,835)
Elimination of Safety Hazards	(12,086)
Energy Conservation	~~(10,131)~~ (12,723)
Sub-Total - Medical Projects	~~497,340~~ 426,340
B. National Cemetery Program	3,590
Total - Construction - Major	~~$500,930~~ 429,930

Changes from Original 1981 Budget Estimate
(Dollars in Thousands)

	1981		
	Budget Estimate	Current Estimate	Increase (+) Decrease (-)
Appropriation	519,354	261,614	-254,740
Obligation	522,373	334,113	-188,260
Cost	271,023	267,159	- 3,864
Outlays	263,021	248,965	- 14,056

The decrease in appropriation reflects Congressional action on the FY 1981 budget and the decision to cancel the Baltimore and Camden hospital projects. The changes in estimated obligations, costs, and outlays are based on revised schedules and cost estimates for contract awards during FY 81 and actual contractor bids received over the last year.

Inflation Policy

For major construction projects, in general, the project cost summary in each prospectus shows costs as of the date of completion of preliminary drawings (base date) plus an allowance for projected inflation. The factors used to compute the projected inflation are: 13% per year from the base date to the end of FY 1980, 12% per year for FY 1981, and 11% thereafter.

Project Combinations/Cancellations

Various projects have been cancelled and/or combined with other projects for construction. These actions have been taken in situations where more than one project impacted the same area within the medical center, or where projects involved related functions. By making these changes, cost savings result from elimination of duplication of work, and disruption to medical center functions is minimized. Projects have been cancelled in cases where alternate solutions to a deficiency have been identified or in cases where the project has been combined with another for completion, as noted above. Each affected project is noted below. A previously requested combination of projects at Denver, CO is no longer shown because of a deferral of the Denver Clinical Addition project.

Location	Description	Previous Estimated Cost (Dollars in Thousands)	Combined Estimated Cost
Baltimore, MD	* Replacement Hospital	$104,460	Cancelled
Bay Pines, FL	Replacement Hospital	110,000	
	Replace Boiler Plant	1,985	
New Title:	Replacement Hospital		$111,985
Brooklyn, NY	* Outpatient Clinic	4,469	Cancelled
Camden, NJ	Replacement Hospital	75,300	Cancelled
Canandaigua, NY	Renovate Patient Buildings	3,716	
	Deadend Corridor Stairs	4,932	
New Title:	Safety & Fire Deficiencies & Renovate Patient Building		8,648
Castle Point	Central Air Condition	7,405	
	Upgrade Primary Distribution System	1,260	
New Title:	Central Air Condition and Upgrade Primary Distribution System		8,665
Cincinnati, OH	Clinical Expansion	9,800	
	Two Elevators	1,720	
New Title:	Clinical Expansion & Two Additional Elevators		11,520
Durham, NC	* Multi-story Parking Garage	4,281	Cancelled
Indiantown Gap National Cemetery, PA	Memorial Center	575	Cancelled

Changes from Original 1981 Budget Estimate
(DOLLARS IN THOUSANDS)

	1981 Budget Estimate	1981 Current Estimate	Increase (+) Decrease (-)
Appropriation	519,354	261,614	-257,740
Obligation	522,373	334,113	-188,260
Cost	271,023	267,159	- 3,864
Outlays	263,021	248,965	- 14,056

The decrease in appropriation reflects Congressional action on the FY 1981 budget. The changes in estimated obligations, costs, and outlays are based on revised schedules and cost estimates for contract awards during FY 81 and actual contractor bids received over the last year.

and the decision to cancel the Baltimore and Camden Hospital projects.

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Location	Description	Previous Estimated Cost (DOLLARS IN THOUSANDS)	Combined Estimated Cost
Bay Pines, FL	Replacement Hospital	$110,000	
	Replace Boiler Plant	1,985	
New Title:	Replacement Hospital		$111,985
Brooklyn, NY	* Outpatient Clinic	4,469	Cancelled
Canandaigua, NY	Renovate Patient Bldgs.	3,716	
	Deadend Corr. Stairs	4,932	
New Title:	Safety & Fire Defic. & Renovate Pat. Bldg.		8,648
Castle Point	Central Air Condition	7,405	
	Upgrade Primary Dist. Sys.	1,260	
New Title:	Central A/C and Upgrade Primary Distr. System		8,665
Cincinnati, OH	Clinical Expansion	9,800	
	Two Elevators	1,720	
New Title:	Clinical Expansion & Two Additional Elevators		11,520
~~Denver, CO~~	~~* Clinical Support Wing;~~	~~46,500~~	
	~~Safety & Fire Deficiencies~~	~~1,408~~	
~~New Title:~~	~~Clinical Support Wing, A/C, Safety & Fire Defic.~~		~~58,000~~
Baltimore, MD	Replacement Hospital	104,460	Cancelled
CAMDEN, NJ	Replacement Hospital	75,300	Cancelled

Changes from Original 1981 Budget Estimate (Cont'd)

Location	Description	Previous Estimated Cost (Dollars in Thousands)	Combined Estimated Cost
Massachusetts National Cemetery, MA	Memorial Center	575	Cancelled
Oklahoma City, OK	Clinical Addition	37,687	
	Safety & Fire Deficiencies	1,501	
New Title:	Clinical Addition, Mod. and Safety and Fire Deficiencies		39,188
Quantico National Cemetery, VA	Memorial Center	575	Cancelled
Riverside National Cemetery, CA	Memorial Center	575	Cancelled
St. Louis, MO	* Clinical Addition	43,421	
	Ambulatory Care	2,079	
New Title:	Clinical Addition, Ward Renovation New Ambulatory Care Building		45,500
Salem, VA	* Renovate Building 7	4,038	Cancelled
Shreveport, LA	Ambulatory Care Addition	1,551	Cancelled
Syracuse, NY	* Multi-story Parking Garage	2,978	Cancelled

* Estimated costs shown for these projects do not represent amounts already appropriated.

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CONSTRUCTION - MAJOR PROJECTS

GENERAL STATEMENT AND DETAIL OF REQUEST

A construction program of ~~$500,930,000~~ $429,930,000 is recommended, for the construction projects listed below to be financed with new budget authority (appropriation) of ~~$500,930,000.~~ $429,930,000.

Location	Description	In Thousands of Dollars: Total Est. Cost	Avail Thru FY 1981	FY 1982 Request	For Future Consider-ation
A. Medical Projects					
Replacement and Modernization :					
Albuquerque, NM	New Cl. Service & Bed Building	115,000	...	11,500	103,500
~~Baltimore, MD~~	~~Replacement Hospital~~	~~104,460~~	~~96,460~~	~~8,000~~	...
Birmingham, AL	Cl. Addn. & Ward Mod.	55,300	...	5,600	49,700
~~Denver, CO~~	~~Cl. Support Wing, A/C & Correct F&S Defic.~~	~~58,000~~	~~5,908~~	~~52,092~~	...
Portland, OR	Replacement Hospital	176,100	141,271	34,829	...
Seattle, WA	Replacement Hospital	128,900	90,620	29,720	8,560
	Subtotal	~~637,760~~ 475,300	~~334,259~~ 231,891	~~141,741~~ 81,649	161,760
Nursing Home Care :					
Ann Arbor, MI	120-Bed NHC	9,500	...	9,500	...
Dallas, TX	120-Bed NHC	8,500	7,850	650	...
Denver, CO	60-Bed NHC	6,500	...	6,500	...
Fresno, CA	60-Bed NHC	5,600	...	5,600	...
Lake City, FL	120-Bed NHC	9,100	...	9,100	...
Los Angeles, CA (WADS)	120-Bed NHC Conversion	6,800	...	6,800	...
Marion, IL	60-Bed NHC	5,800	...	5,800	...
Spokane, WA	60-Bed NHC	6,000	...	6,000	...
Tampa, FL	120-Bed NHC	10,600	...	10,600	...
Wichita, KS	60-Bed NHC	4,800	...	4,800	...
	Subtotal	73,200	7,850	65,350	...
~~Research and Education~~					
~~Long Beach, CA~~	~~Res. & Educ. Addn.~~	~~13,400~~	~~12,600~~	~~800~~	...
	~~Subtotal~~	~~13,400~~	~~12,600~~	~~800~~	...
Outpatient Improvements :					
Lincoln, NB	O/P Addition	9,200	...	9,200	...
Marion, IL	O/P Addition	11,400	...	11,400	...
Miami, FL	O/P Addition, Renov. & SCI Relocation	49,000	...	49,000	...
Muskogee, OK	O/P Addition	10,100	...	10,100	...
Tuscaloosa, AL	O/P Addition	16,900	...	16,900	...
Wichita, KS	Renovate for O/P	10,400	...	10,400	...
	Subtotal	107,000	...	107,000	...

Location	Description	In Thousands of Dollars: Total Est. Cost	Avail Thru FY 1981	FY 1982 Request	For Future Consideration
Other Improvements :					
Advance Planning Fund :					
Various Stations		$ 16,000	$ ...	$ 16,000	$ ...
	Subtotal	$ 16,000	$ ...	$ 16,000	$ ...
General Projects					
* Atlanta, GA	Warehouse & Eng. Bldg.	1,950	110	1,840	...
* Brooklyn, NY	Air, Oxygen, Vacuum Sys.	3,900	1,136	2,764	...
~~* Brooklyn, NY (Sb. Albany)~~	~~Laundry Consolidation~~	~~13,400~~	~~2,727~~	~~10,673~~	...
~~* East Orange, NJ~~	~~Improv. & Corr. for Bldg Environment Defic.~~	~~33,690~~	~~31,669~~	~~2,021~~	...
Hines, IL	Supply Depot Expansion	9,000	...	9,000	...
Louisville, KY	Med. Gases, Nurse Call System, Patient Privacy	3,700	...	3,700	...
	Subtotal	~~65,640~~ 18,550	~~35,642~~ 1,246	~~29,998~~ 17,304	...
Clinical Improvements :					
Danville, IL	Relocate/Expand PAD	6,400	...	6,400	...
Memphis, TN	SCI Building & R/E	34,000	...	34,000	...
* St. Louis, MO	Cl. Addn./Ward Renov. New Amb. Care Bldg.	45,500	2,079	43,421	...
* Wood, WI	Relocate Nuclear Med.	1,700	128	1,572	...
	Subtotal	87,600	2,207	85,393	...
Energy Conservation :					
Various Stations		~~12,723~~ ~~10,137~~	...	~~12,723~~ ~~10,137~~	...
	Subtotal	~~10,137~~ 12,723	...	~~10,137~~ 12,723	...

Location	Description	In Thousands of Dollars: Total Est. Cost	Avail Thru FY 1981	FY 1982 Request	For Future Consider-ation
Elimination of Safety Hazards :					
San Antonio, TX	Sprinkler/Horizontal Exits & Correct Fire & Safety Defic.	5,700	...	5,700	...
* Sepulveda, CA	Eliminate Fire and Safety Defic.	8,000	1,614	6,386	...
	Subtotal	13,700	1,614	12,086	...
Correction of Seismic Deficiencies :					
* Fresno, CA	Corr. of Seismic Def.	4,600	2,950	1,650	...
* Palo Alto, CA (MPD)	Corr. of Seismic Def. (Center Core Bldg.)	30,200	3,015	27,185	...
	Subtotal	34,800	5,965	28,835	...
B. National Cemetery Program					
Construction Major :					
Ft. Snelling, MN	Develop 29 Acres and Additional Facil.	5,800	...	580	5,220
* Region V Nat. Cem.	Dev. 115 Acres Admin/Svc. Bldg.	6,000	4,000	2,000	...
Riverside, CA	Dev. 57 Acres, PH III	5,100	...	510	4,590
Various Stations	Advance Planning Fund	500	...	500	...
	Subtotal	$17,400	$4,000	$3,590	$9,810
TOTAL CONSTRUCTION MAJOR		~~$1,076,627~~ $856,273	~~$184,137~~ $256,773	~~$500,930~~ $429,930	$171,570

* Funding plan is available on prospectus.

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VAMC ALBUQUERQUE, NEW MEXICO

New Clinical Services and Bed Building

I. Justification for Proposed Project

VAMC Albuquerque is identified as one of the 10 Medical Centers in greatest need of replacement or major modernization. Most services or functions included in this project are seriously deficient in space, functional adjacencies, and various accreditation requirements. The existing structures which house these services and functions do not conform to seismic, life safety and other code requirements. Other technical deficiencies such as low floor-to-floor heights, inadequate building configuration and the absence of air conditioning render the existing structures unsuitable for continued use.

II. Description of Proposed Project

The project proposes new construction to house 380 medical, surgical and neurological beds and associated nursing unit, clinical, and non-clinical support space. Also provided is a new central heating and air conditioning plant and loop distribution system. Services and functions include: Ambulatory Care, Nursing Units, Rehabilitation Medicine, Surgery, Pharmacy, Radiology, Dietetics, Supply Processing and Distribution, and other clinical and administrative support areas.

The new clinical services and bed building will correct most of the critical deficiencies of the Medical Center. All medical, surgical, and neurology beds, clinical and support functions will conform fully with VA space requirements. New construction will house approximately 70% of the total space requirements of the Medical Center. Remaining deficiencies will be corrected by means of carefully phased renovation of structures which have been found suitable for continued use.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on December 31, 1979. The State Clearinghouse responded on January 29, 1980, and offered no comment. No response has been received from the Areawide Clearinghouse. A new A-95 notification letter was sent on August 14, 1980, to the State and Areawide Clearinghouses advising a change in scope. Since the first notification in December, 1979, the Director, VAMC Albuquerque, who is a member of the local HSA and SHCC, has been in close contact with these agencies regarding the development of this project. The Areawide Clearinghouse responded on September 18, 1980, indicating no objections.

IV. Annual Operating, Staff and Equipment Cost

Equipment Cost:	$17,800,000	
One Time Non-recurring Cost:	$ 1,300,000	
Total Recurring Cost:	$ 9,508,000	
Additional Manpower: 329 FTE		$7,008,000
Other Recurring Cost:		$2,500,000

VAMC ALBUQUERQUE, NEW MEXICO

New Clinical Service and Bed Building (Cont'd)

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	529,298	$135.28	$ 71,602
Alterations	...	...	...
Other Costs			
A. Central Energy Plant and Generator Building			3,257
B. Sitework, Utilities and Demolition			9,412
C. Projected Inflation			30,729
			$115,000

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$115,000	...	$11,500	$103,500

VAMC BALTIMORE, MARYLAND

Replacement Hospital

I. Justification for Proposed Project

The Baltimore VAMC (Loch Raven) was originally constructed in 1952 as a tuberculosis hospital. The facility has many life safety code, physical, functional, and space deficiencies. This limits its capability to adequately accommodate its current mission as a teaching, acute GM&S Hospital. A VA study indicates that vertical additions to the Main Medical Center Building are not feasible. A site analysis also discloses many constraints for horizontal expansion.

The Fort Howard VA Medical Center was acquired in 1942 and expanded at the end of World War II. Quonset huts still house ancillary and support services for the Medical Center. VAMC Fort Howard is physically obsolete and isolated in relation to major groupings of veterans which it serves. It is also difficult to staff, being too great a distance from its affiliated Schools of Medicine at Johns Hopkins and Maryland Universities.

II. Description of Proposed Project

The Veterans Administration proposes to build a 400-bed Medical Center consisting of 220 medical beds, 120 surgical beds, 60 acute psychiatric beds, outpatient clinic and parking garage.

Additional funding is requested to offset the premium cost and resultant delays associated with a determination to employ minority contractors for the construction of the first phase of the work.

III. A-95 Summary

The A-95 process was accomplished and reported as part of the prior appropriation request.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$25,650,000	
One Time Non-recurring Cost:	$ 1,700,000	
Total Recurring Cost:	$17,430,000	
Additional Manpower: 654 FTE		$13,930,000
Other Recurring Cost:		$ 3,500,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	992,233	$82.64	$82,002
Alterations			
Other Costs			
A. Projected Inflation			22,458
			$104,460

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$104,460	$96,460	$8,000	...

Funding plan ($ in 000)

FY 1971 - $1,500
1973 - 3,724
FY 1977 - $ 8,476
1980 - 75,090
1981 - 7,670

14-11 R

VAMC BIRMINGHAM, ALABAMA

Clinical Addition & Ward Modernization

I. Justification for Proposed Project

The VA Medical Center is a large multi-story concrete and masonry building with ten operational floor levels. The original building was placed in operation in 1953. The medical center is significantly deficient in space and functional adjacencies and has electrical and seismic deficiencies.

II. Description of Proposed Project

Key areas to be constructed or renovated will be the Surgical Suite, Outpatient Care, Intensive Care Units, Laboratory Service, Pharmacy and Satellite Radiology. Since many relocations will occur to achieve the preferred functional adjacencies, several services will be renovated or expanded resulting in a more desirable and fully functional medical facility. Major renovations for seismic strengthening and electrical upgrading will be taking place on all floors; therefore, the eleven wards are included in this project for total renovation, including medical gases.

III. A-95 Summary

The VA notified State and Areawide Clearinghouses on March 27, 1978. An interim acknowledgement was received from the Areawide Clearinghouses on April 3, 1978, followed by a favorable reply on July 31, 1978. The State Clearinghouse did not acknowledge.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$9,500,000	
One Time Non-recurring Cost:	$ 800,000	
Total Recurring Cost:	$3,136,500	
Additional Manpower: 105 FTE		$2,236,500
Other Recurring Cost:		$ 900,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	157,245	$126.43	$19,880
Alterations	362,390	47.60	17,250
Other Costs			
A. Site Clearance, Site work and Utilities			2,340
B. Seismic Upgrade			2,647
C. Impact Cost			550
D Art-in-Architecture			50
E. Projected Inflation			12,583
			$55,300

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$55,300	...	$5,600	$49,700

VAMC DENVER, COLORADO

Clinical Support Wing, Air Conditioning
and Correct Fire & Safety Deficiencies

I. Justification for Proposed Project

With increasingly active affiliation with the University of Colorado Medical School and expanded programs, there exist numerous fire and safety, space, and functional deficiencies in the Medical Center. The Nursing Units are extremely congested and require renovation to meet minimum patient privacy standards. Serious space, equipment, and functional deficiencies exist in almost all clinical support functions limiting the ability to provide adequate care. The elevators are slow and shared by patients, visitors, staff, and freight. The emergency entrance is located a level below the treatment area, and is connected by an inadequate elevator.

II. Description of Proposed Project

This project proposes to construct a multi-level addition to the main hospital, building No. 1, and to air condition the existing structure as well as the new construction. The project also includes a separate building to house the Outpatient Psychiatric programs. Renovation on the nursing units will provide for patient privacy, new finishes and lighting, medical gases, and nurse call. The project will realign the clinical and clinical support functions into appropriate locations to enhance patient care. It will also provide the improved transport system. In addition, the project will correct fire & safety deficiencies.

III. A-95 Summary

The VA notified State and Areawide Clearinghouses on August 4, 1977. The Areawide Clearinghouse responded on August 30, 1977, and offered no comment. No response was received from the State.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$8,120,000	
One time Non-recurring Cost:	$ 600,000	
Total Recurring Cost:	$4,152,400	
Additional Manpower: 148 FTE		$3,152,400
Other Recurring Cost:		$1,000,000

VAMC DENVER COLORADO (Cont'd)

Clinical Support Wing, Air Conditioning and Correct Fire & Safety Deficiencies

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	195,180	$125.77	$24,548
Alterations	209,561	71.88	15,063
Other Cost			
A. Sitework & Utilities			2,919
B. A/C Remaining Areas of Building No. 1			2,957
C. Correct Fire & Safety Deficiencies			2,433
D. Impact Cost			644
E. Art-in-Architecture			50
F. Projected Inflation			9,386
			$58,000

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$58,000	$5,908	$52,092	...

Funding plan ($ IN 000)

FY 1973 — $ 640
1975 - 98
1976 - 1,310
1980 - 3,860

VAMC PORTLAND, OREGON

Portland/Vancouver Replacement Hospitals

I. Justification for Proposed Project

VAMC Portland Division is a general hospital situated on 25 acres of land atop Marquam Hill, adjacent to and affiliated with the University of Oregon's Health Sciences Center. The first buildings of this complex were constructed in 1928. Another support building was added in 1932. A tuberculosis building was erected in 1949. Several quonset huts were added from the late 1940's to mid-1950's. Existing buildings are grossly inadequate in space needs and functional requirements. Numerous life safety code deficiencies exist. The patient ward areas and clinical support areas are grossly overcrowded.

VAMC Vancouver Division was constructed in 1941 as a cantonment type army hospital with a life expectancy of ten years. The hospital is composed of 75 wood frame buildings, all typically 150 feet long and 25 to 30 feet wide. The buildings are widely dispersed on the site with the majority joined by a one-mile corridor system. These buildings do not meet acceptable standards or codes.

II. Description of Proposed Project

It is proposed to construct a new hospital at the Portland, Oregon Division to replace the existing Portland VAMC. This replacement medical center will consolidate acute care beds currently located at both Divisions. The new construction will have 490 beds and will be located at the existing VAMC site. Necessary hospital parking will be located at this site.

It is proposed to construct a 120 bed nursing home care building, consolidated warehouse and consolidated laundry at the Vancouver Division. Sixty beds (30 intermediate care and 30 alcohol/drug treatment) will be retained in existing space as well as a satellite outpatient clinic, clinical and administrative support, and an administrative support center for VA Medical District No. 28.

The funding requested in this budget is that which is needed to provide for inflation of construction costs since this project was first proposed.

III. A-95 Summary

The A-95 process was accomplished and reported as part of the prior appropriation request.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$25,186,000	
One Time Non-recurring Cost:	$ 1,760,000	
Total Recurring Cost:	$ 2,226,000	
Additional Manpower: 20 FTE		$ 426,000
Other Recurring Cost:		$1,800,000

VAMC PORTLAND, OREGON (Cont'd)

Portland/Vancouver Replacement Hospitals

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	719,822	$129.19	$ 92,991
Alterations			
Other Costs			
A. NHC Unit, Warehouse and Laundry (Vancouver)			13,917
B. Utilities, Sitework, Relocations, Watertower, Parking & Demolition			22,588
C. Projected Inflation			46,604
			$176,100

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$176,100	$141,271	$34,829	...

Funding Plan ($ IN 000)
FY 1973 - $2,350
1977 - 13,150
1978 - 4,470 (adjustment)
1979 - 130,241

14-16 R

VAMC SEATTLE, WASHINGTON

Replacement Hospital

I. Justification for Proposed Project

As addressed in the FY 1977 budget amendment which provided for design funds for VAMC Seattle, adjustments in cost are necessary to reflect inflation beyond FY 1978. Construction funding was appropriated in FY 1979. The Seattle project consists of four phases. In a previous budget submission, it was indicated that funding of the inflation amount required for a particular construction phase would be requested in the year of contract award. Funding is now requested for inflation of Phase III (construction of new building) with an anticipated construction award in early FY 1982.

II. Description of Proposed Project

This project proposes to construct a major addition consisting of 430 medical center beds, a 60-bed nursing home care unit, and inpatient diagnostic and support services. Some existing buildings will be renovated for such functions as administrative offices, off-ward education, outpatient psychiatry, supply warehouse, canteen and other support functions.

III. A-95-Summary

The A-95 process was accomplished and reported as part of the prior appropriation request.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$17,618,000	
One Time Non-recurring Cost:	$ 1,330,000	
Total Recurring Cost:	$14,213,800	
Additional Manpower: 526 FTE		$11,203,800
Other Recurring Cost:		$ 3,010,000

IV. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	656,200	$106.86	$ 70,122
Alterations	233,000	63.07	14,696
Other Costs			
A. Site Work			5,302
B. Building Connections			500
C. Projected Inflation			38,280
			$128,900

V. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$128,900	$90,620	$29,720	$8,560

Funding Plan ($ IN 000)
fy 1973 - $2,200
1977 - 6,800
1979 - 81,000
fy 1980 - $ 620

14-17 R

VAMC ANN ARBOR, MICHIGAN

120-Bed Nursing Home Care Unit

I. Justification for Proposed Project

There are no nursing home care beds at VAMC Ann Arbor. Medical District No. 14 has 277 nursing home care beds and 30 beds are funded for construction. These 307 beds represent 63% of the District's estimated need for nursing home care beds through FY 1987. The additional 120 beds at VAMC Ann Arbor will increase this percentage to 88%.

II. Description of Proposed Project

Project provides for 120 nursing home care beds in new construction and associated support areas such as dining, recreation, and rehabilitation medicine.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on December 3, 1979. The Areawide Clearinghouse acknowledged the notification on January 10, 1980 and indicated that the project does not conflict with areawide plans. No response was received from the State Clearinghouse.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$ 436,000	
One Time Non-recurring Cost:	$ 60,000	
Total Recurring Cost:	$3,112,100	
Additional Manpower: 117 FTE		$2,492,100
Other Recurring Cost:		$ 620,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	52,976	$115.39	$ 6,113
Alterations			
Other Costs			
A. Utilities beyond 5' Line and Parking			429
B. Elevated connecting corridor			40
C. SBA 8(a) Contract allowance			960
D. Projected Inflation			1,958
			$9,500

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$9,500	...	$9,500	...

VAMC DALLAS, TEXAS

120-Bed Nursing Home Care Unit

I. Justification for Proposed Project

Presently, there are no nursing home care beds at VAMC Dallas. Medical District No. 20 has 297 nursing home care beds and 120 beds are funded for construction at Temple. These 417 beds represent 54% of the district's estimated need for nursing home care beds through FY 1987. The additional 120 beds at Dallas will increase this percentage to 70%.

II. Description of Proposed Project

Project provides for 120 nursing home care beds in new construction and associated support areas such as dining, recreation, and rehabilitation medicine. The additional funds requested are required to offset cost of inflation.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouse on March 5, 1979. Acknowledgement of notification has been received from both the State and Areawide Clearinghouse.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$ 436,000	
One Time Non-recurring Cost:	$ 60,000	
Total Recurring Cost:	$3,112,100	
Additional Manpower: 117 FTE		$2,492,100
Other Recurring Cost:		$ 620,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	54,432	$95.15	$ 5,179
Alterations	...	...	...
Other Costs			
A. Utilities beyond 5' Line and Sitework			926
B. Connecting Corridors			241
C. SBA 8(a) Contract Allowance			1,071
D. Projected Inflation			1,083
			$ 8,500

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$8,500	$7,850	$ 650	...

Funding Plan ($ IN 000)

FY 1981 — $ 7,850

VAMC DENVER, COLORADO

60-Bed Nursing Home Care Unit

I. Justification for Proposed Project

There are no nursing home care beds at VAMC Denver. Medical District No. 24 has 198 nursing home care beds. These 198 beds represent 70% of the District's estimated need for nursing home care beds through FY 1987. The additional 60 beds at VAMC Denver will increase this percentage to 91%.

II. Description of Proposed Project

Project provides for 60 nursing home care beds in new construction as well as support areas such as dining, recreation, and rehabilitation medicine. The nursing home building will be directly connected to the main hospital building by a connecting corridor to provide support and will be built with vertical expansion capability.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on December 19, 1979. The Central Northeast Colorado HSA on February 8, 1980, stated there are excess long term beds in the Denver area and the VA should utilize and financially support these community beds. The HSA also stated they recognized the present reimbursement policies of the VA are a barrier to utilizing community services. No response has been received from the State Clearinghouse. The VA nursing home care beds at VAMC Denver are considered necessary to care for the number and degree of physically disabled veterans not acceptable to community nursing homes.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$ 218,000	
One Time Non-recurring Cost:	$ 30,000	
Total Recurring Cost:	$1,566,700	
Additional Manpower: 59 FTE		$1,256,700
Other Recurring Cost:		$ 310,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	29,320	$126.20	$ 3,700
Alterations	274	25.55	7
Other Costs			
A. Site Work & Connecting Corridor			652
B. SBA 8(a) Contract Allowance			623
C. Art in Architecture			32
D. Projected Inflation			1,486
			$6,500

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$6,500	...	$6,500	...

VAMC FRESNO, CALIFORNIA

60-Bed Nursing Home Care Unit

I. Justification for Proposed Project

There are no nursing home care beds at VAMC Fresno. Medical District No. 27 has 172 nursing home care beds and 158 beds are funded for construction. These 330 beds represent 49% of the District's estimated need for nursing home care beds through FY 1987. The additional 60 beds at VAMC Fresno will increase this percentage to 57%.

II. Description of Proposed Project

This project provides for 60 Nursing Home Care beds in new construction and associated support areas such as dining, recreation, and rehabilitation medicine.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on November 2, 1979. The Areawide Clearinghouse responded on November 30, 1979, and offered no comment. No response has been received from the State Clearinghouse.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$ 218,000	
One Time Non-recurring Cost:	$ 30,000	
Total Recurring Cost:	$1,566,700	
Additional Manpower: 59 FTE		$1,256,700
Other Recurring Cost:		$ 310,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	29,355	$109.70	$ 3,220
Alterations	...	...	...
Other Costs			
A. Site Work & Parking Expansion			520
B. SBA 8(a) Allowance			536
C. Art-in-Architecture			28
D. Projected Inflation			1,296
			$ 5,600

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$5,600	...	$5,600	...

VAMC LAKE CITY, FLORIDA

120-Bed Nursing Home Care Unit

I. Justification for Proposed Project

There are 40 nursing home care beds at VAMC Lake City. Medical District No. 12 has 280 nursing home care beds and 240 beds are funded for construction. These 520 beds represent 59% of the District's estimated need for nursing home care beds through FY 1987. The additional 80 beds at VAMC Lake City and 120 beds at VAMC Tampa (also proposed for FY 1982) will increase this percentage to 81%.

II. Description of Proposed Project

This project will provide an additional 80 nursing home care beds at VAMC Lake City. Forty nursing home care beds exist in Building No. 62. These will be relocated to the new 120 bed nursing home care unit, resulting in a net increase of 80 beds.

III. A-95 Summary

The VA notified State and Areawide Clearinghouses on December 28, 1979. A favorable reply was received from the State Clearinghouse on February 19, 1980. The Areawide Clearinghouse acknowledged on January 25, 1980, with no further comments received.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$ 436,000	
One Time Non-recurring Cost:	$ 45,000	
Total Recurring Cost:	$2,071,400	
Additional Manpower: 78 FTE		$1,661,400
Other Recurring Cost:		$ 410,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	57,000	$107.78	$ 6,144
Alterations	3,000	82.33	247
Other Costs			
A. Utilities & Parking			256
B. Connecting Corridors			77
C. Emergency Generator and Chiller Building			384
D. Excess Foundation and Structure			123
E. Projected Inflation			1,869
			$ 9,100

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$9,100	...	$9,100	...

VAMC LOS ANGELES (WADSWORTH), CALIFORNIA

120-Bed Nursing Home Care Unit
(Conversion, B-215)

I. Justification for Proposed Project

There are no nursing home care beds at VAMC Wadsworth. Medical District No. 26 has 500 nursing home care beds. These 500 beds represent 51% of the district's estimated need for nursing home care beds through FY 1987. The additional 120 beds at VAMC Wadsworth will increase this percentage to 64%.

II. Description of Proposed Project

The project proposes converting an existing three story building (No. 215) into a 120-bed nursing home care unit with associated support areas such as patient dining, recreation and rehabilitation medicine.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on April 30, 1979. The State Clearinghouse acknowledged the notification on May 15, 1979. The Areawide Clearinghouse acknowledged the notification on June 7, 1979. No further comments have been received.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$ 436,000	
One Time Non-recurring Cost:	$ 60,000	
Total Recurring Cost:	$3,112,100	
Additional Manpower: 117 FTE		$2,492,100
Other Recurring Cost:		$ 620,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	...	...	...
Alterations	57,762	$82.75	$4,780
Other Costs			
A. Site Clearance & Demolition			436
B. Art-in-Architecture			35
C. Projected Inflation			1,549
			$6,800

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$6,800	...	$6,800	...

VAMC MARION, ILLINOIS

60-Bed Nursing Home Care Unit

I. Justification for Proposed Project

There are no nursing home care beds at VAMC Marion, Illinois. Medical District No. 21 has 196 nursing home care beds. These 196 beds represent 62% of the District's estimated need for nursing home care beds through FY 1987. The additional 60 beds at VAMC Marion, Illinois, will increase this percentage to 81%.

II. Description of Proposed Project

Project provides for 60 nursing home care beds in new construction and associated support areas such as dining, recreation, and rehabilitation medicine.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on December 26, 1979. The State Clearinghouse responded on March 21, 1980, with a favorable comment. The Areawide Clearinghouse responded favorably on February 28, 1980.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$ 218,000	
One Time Non-recurring cost:	$ 30,000	
Total Recurring Cost:	$1,566,700	
Additional Manpower: 59 FTE		$1,256,700
Other Recurring Cost:		$ 310,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	32,988	$119.44	$ 3,940
Alterations	...	...	...
Other Costs			
A. Connecting Corridor			78
B. Chiller Pad and Emergency Generator			124
C. Seismic, Historic Site Design Sensitivity and Special Foundation			196
D. Projected Inflation			1,462
			$ 5,800

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$5,800	...	$5,800	...

VAMC SPOKANE, WASHINGTON

60-Bed Nursing Home Care Unit

I. Justification for Proposed Project

There are no nursing home care beds at VAMC Spokane. Medical District No. 28 has 151 nursing home care beds and 180 beds are funded for construction. These 331 beds represent 66% of the District's estimated need for nursing home care beds through FY 1987. The additional 60 beds at VAMC Spokane will increase this percentage to 78%.

II. Description of Proposed Project

This project provides for 60 nursing home care beds in new construction and associated support areas such as dining, recreation, and rehabilitation medicine.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on December 19, 1979. The Areawide Clearinghouse responded on January 22, 1980, and indicated that the project does not conflict with areawide plans. The State Clearinghouse responded on February 15, 1980, indicating no opposition to the project.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$ 218,000	
One Time Non-recurring Cost:	$ 30,000	
Total Recurring Cost:	$1,566,700	
Additional Manpower: 59 FTE		$1,256,700
Other Recurring Cost:		$ 310,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	29,580	$118.22	$ 3,497
Alterations	220	31.82	7
Other Costs			
A. Site Work & Connecting Corridors			523
B. SBA 8(a) Allowance			576
C. Art-in-Architecture			30
D. Projected Inflation			1,367
			$ 6,000

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$6,000	...	$6,000	...

VAMC TAMPA, FLORIDA

120-Bed Nursing Home Care Unit

I. Justification for Proposed Project

There are no nursing home care beds at VAMC Tampa. Medical District No. 12 has 280 nursing home care beds and 240 beds are funded for construction. These 520 beds represent 59% of the District's needs. The 120 beds at VAMC Tampa and the additional 80 at VAMC Lake City (also proposed for FY 1982) will increase this percentage to 81%.

II. Description of Proposed Project

This project provides 120 nursing home care beds in new construction adjacent to the existing medical center and associated support areas such as dining, recreation and rehabilitation medicine.

III. A-95 Summary

The VA notified State and Areawide Clearinghouses on December 27, 1979. A favorable reply was received from the State Clearinghouse on February 19, 1980. The Areawide Clearinghouse endorsed the project on January 17, 1980 with a request for additional information which was provided on February 1, 1980.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$ 436,000	
One Time Non-recurring Cost:	$ 60,000	
Total Recurring Cost:	$3,112,100	
Additional Manpower 117 FTE		$2,492,100
Other Recurring Cost:		$ 620,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	58,500	$102.92	$ 6,021
Alterations	3,000	82.33	247
Other Costs			
A. Utilities			116
B. Connecting Corridors			192
C. Chiller Building			102
D. Special Foundation			1,314
E. Emergency Generator			282
F. Projected Inflation			2,326
			$10,600

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$10,600	...	$10,600	...

VAMC & ROC WICHITA, KANSAS

60-Bed Nursing Home Care Unit

I. Justification for Proposed Project

Presently, there are no nursing home care beds at Wichita VAM & ROC. Medical District No. 22 has 124 nursing home care beds. These 124 beds represent 57% of the district's estimated need for nursing home care beds through FY 1987. The additional 60 beds at Wichita will increase this percentage to 83%.

II. Description of Proposed Project

Project provides for 60 nursing home care beds in new construction and associated support areas such as dining, recreation, and rehabilitation medicine.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on July 28, 1977. The Areawide Clearinghouse responded on January 24, 1978, and offered no comment. No response has been received from the State Clearinghouse.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$ 218,000	
One Time Non-recurring Cost:	$ 30,000	
Total Recurring Cost:	$1,566,700	
Additional Manpower: 59 FTE		$1,256,700
Other Recurring Cost:		$ 310,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	30,949	$88.24	$ 2,731
Alterations	...	...	...
Other Costs			
A. Utilities beyond 5' line, Sitework & Site Clearance			456
B. Connecting Corridors, Elevators, Stairtower, Lobby Areas			252
C. SBA 8(a) Contract Allowance			474
D. Projected Inflation			887
			$ 4,800

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$4,800	...	$4,800	...

VAMC LONG BEACH, CALIFORNIA

Research and Education Addition

I. Justification for Proposed Project

Existing research facilities are located in obsolete, cantonment-type buildings and are inadequate to support the current research program and to provide expansion space for new programs. Existing education space in bed buildings is inadequate to meet the additional demands for education and training as required by public law and the VA mission.

II. Description of Proposed Project

The new building will be located to the west of Building No. 7 and will replace the existing research building complex. Education space will be included in this project to support the medical center's extensive education program. The additional funds requested are required to offset the cost of inflation.

III. A-95 Summary

The VA notified State and Areawide Clearinghouses on August 4, 1977. The State Clearinghouse responded on September 1977 with no comment. No response was received from the Areawide Clearinghouse.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$1,500,000	
One Time Non-recurring Cost:	$ 150,000	
Total Recurring Cost:	$ 676,000	
Additional Manpower: 20 FTE		$426,000
Other Recurring Cost:		$250,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	74,853	$144.79	$10,838
Alterations	...	...	...
Other Costs			
A. Sitework (Parking)			453
B. Projected Inflation			2,109
			$13,400

VI. Budget Authority

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$ 13,400	$ 12,600	$800	. . .

Funding Plan ($ IN 000)

FY 1971 — $ 293
1972 — 136
1981 — 12,171

VAMC LINCOLN, NEBRASKA

Outpatient Addition

I. Justification for Proposed Project

Serious space and functional deficiencies exist in Outpatient Care, Pharmacy, Radiology, Supply Processing and Distribution, Laboratory and Surgery. Fire and Safety deficiencies also require correction. Access to the site is limited to one roadway.

II. Description of Proposed Project

A new addition to Building No. 1 will be constructed to house Outpatient Care, Pharmacy and Supply Processing and Distribution (SPD). Surgery, Laboratory and Radiology Services will be expanded into renovated space. Fire and Safety deficiencies will be corrected. A new access driveway will directly service the Outpatient area.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on April 7, 1978. The State Clearinghouse responded on May 11, 1978, with a favorable comment. The Areawide Clearinghouse responded on August 10, 1978, and offered no comment.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$1,000,000	
One Time Non-recurring Cost:	$ 200,000	
Total Recurring Cost:	$ 754,900	
Additional Manpower: 23 FTE		$489,900
Other Recurring Cost:		$265,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	31,149	$154.48	$ 4,812
Alterations	15,424	92.00	1,419
Other Costs			
A. Utilities, Sitework, Demolition			764
B. Projected Inflation			2,205
			$ 9,200

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$9,200	...	$9,200	...

VAMC MARION, ILLINOIS

Outpatient Addition

I. Justification for Proposed Project

Major functional and space deficiencies exist at this Medical Center in Outpatient Care, Pharmacy, Dental, Laboratory, M.A.S. and Radiology. A need also exists for Outpatient Psychiatric Treatment as well as Alcohol Treatment Clinic.

II. Description of Proposed Project

A new addition to the main building will be constructed for expanded Outpatient Clinics, Outpatient Pharmacy, Dental Service, Laboratory Service, and Radiology Service. Medical Administration Service will expand into vacated space and a portion of the new addition. Day Hospital and Alcohol Treatment programs will be provided in vacated space.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouse on December 26, 1979. The State Clearinghouse responded on February 28, 1980, with a favorable comment. No response has been received from the Areawide Clearinghouse.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$1,800,000	
One Time Non-recurring Cost:	$ 100,000	
Total Recurring Cost:	$1,075,100	
Additional Manpower: 27 FTE		$ 575,100
Other Recurring Cost:		$ 500,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	53,223	$124.89	$ 6,647
Alterations	13,596	98.56	1,340
Other Costs			
A. Utilities, Sitework, Site Clearance, & Demolition			882
B. Connecting Corridors			118
C. Phasing			110
D. Impact Cost			150
E. Art-in-Architecture			50
F. Projected Inflation			2,103
			$11,400

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$11,400	...	$11,400	...

VAMC MIAMI, FLORIDA

Outpatient Addition, Renovation, and
Spinal Cord Injury Relocation

I. Justification for Proposed Project

This medical center is experiencing in excess of 195,000 outpatient visits per year in space that is grossly inadequate for this workload. Additionally, the Spinal Cord Injury Unit requires relocation from the 12th floor to ground level to improve patient safety, quality of care, and ingress/egress capability at the center.

II. Description of Proposed Project

Project will provide new construction and renovation of existing facility space to provide necessary space for Outpatient Care expansion and relocation of the Spinal Cord Injury Unit. Since the original submission of this project in the FY 1981 Budget, we have experienced a 3% per month escalation rate in Dade and Broward counties, Florida. This current estimate is based on the greater inflation rate.

III. A-95 Summary

The VA notified State and Areawide Clearinghouses on February 23, 1978. No response has been received from either Clearinghouse.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$3,000,000	
One Time Non-recurring Cost:	$ 170,000	
Total Recurring Cost:	$1,753,600	
Additional Manpower: 42 FTE		$894,600
Other Recurring Cost:		$859,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	140,929	$153.40	$21,619
Alterations	84,826	72.76	6,164
Other Cost			
A. Relocate Bldg. 8 & 9			77
B. Utility Agreement & Impact Costs			600
C. Art-in-Architecture			50
D. Projected Inflation			$20,490
			$49,000

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$49,000	...	$49,000	...

VAMC MUSKOGEE, OKLAHOMA

Outpatient Addition

I. Justification for Proposed Project

The existing buildings were constructed in 1920. The combination of space and equipment deficiencies, poor functional alignment, and inadequate transport system poses serious operational problems for the Medical Center.

II. Description of Proposed Project

This project proposes construction of a two-story clinical addition and renovation of existing space. Services or functions included are: Pharmacy, Outpatient Care, Medical Administration, Supply Processing and Distribution (SPD), Radiology, and Laboratory.

Provisions to accommodate the expansion and realignment of Surgical Service, Nuclear Medicine, and various administrative and education functions are also included in the scope of work.

Transport systems include three new elevators and a dumbwaiter in SPD. Automatic fire protection systems in all areas affected by this project are included in the scope of work.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on April 5, 1978. The State Clearinghouse responded on July 6, 1978, with a favorable comment. No response has been received from the Areawide Clearinghouse.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$1,600,000	
One Time Non-recurring Cost:	$ 90,000	
Total Recurring Cost:	$ 961,200	
Additional Manpower: 24 FTE		$511,200
Other Recurring Cost:		$450,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	55,510	$101.60	$ 5,640
Alterations	28,710	62.07	1,782
Other Cost			
A. Site Work & O/S Utilities			210
B. Art-in-Architecture			50
C. Projected Inflation			2,418
			$10,100

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$10,100	...	$10,100	...

VAMC TUSCALOOSA, ALABAMA

Outpatient Addition

I. Justification for Proposed Project

Outpatient and support services are currently located in the main medical and surgical bed building. The services are in space far below existing criteria and are poorly aligned.

II. Description of Proposed Project

The project will provide new or renovated space for Outpatient, Medical Administration, Pharmacy, Laboratory Service, Radiology Service, Dental, Day Treatment and Mental Hygiene Clinic.

III. A-95 Summary

The VA notified State and Areawide Clearinghouses on December 26, 1979. The Areawide Clearinghouse concurred with the project on January 2, 1980. The State Clearinghouse did not acknowledge.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$3,000,000	
One Time Non-recurring Cost:	$ 700,000	
Total Recurring Cost:	$1,231,600	
Additional Manpower: 32 FTE		$681,600
Other Recurring Cost:		$550,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	68,976	$118.95	$ 8,204
Alterations	27,872	89.94	2,507
Other Costs			
A. Site Work, O/S Utilities, Parking & Demolition			1,420
B. Unfinished Basement			1,011
C. Art-in-Architecture			50
D. Impact Cost			139
E. Projected Inflation			3,569
			$16,900

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$16,900	...	$16,900	...

VAMC & ROC WICHITA, KANSAS

Renovation for Outpatient

I. Justification for Proposed Project

Outpatient Care, Pharmacy, and Canteen Services are functioning in space significantly below current criteria. Functional deficiencies in Canteen and Inpatient Pharmacy compound this space shortage. Administrative Services, i.e., MAS, Personnel, Fiscal, Supply Administration, are functioning within large open areas vacated by the VA Regional Office. Noise distraction is a common problem during active day-to-day operation. The five nursing units at this station are in need of renovation.

II. Description of Proposed Project

This project proposes renovation of Building No. 26 for relocation and/or expansion of Outpatient Care, Canteen, Medical Administration, Fiscal, Supply Administration, and Personnel Services. Renovation of space in Building Nos. 1 and 19 will upgrade five antiquated nursing units by providing patient privacy, medical gases, new nursing stations, and air conditioning. Pharmacy will be expanded by relocating the inpatient functions into space to be vacated by Supply Processing and Distribution and by realigning the outpatient function within Building No. 3. A new ambulance entrance, and an upgraded outpatient entrance will be included.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on December 26, 1979. The Areawide Clearinghouse responded January 28, 1980, with a favorable comment. No response has been received from the State Clearinghouse.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$1,500,000	
One Time Non-recurring Cost:	$ 90,000	
Total Recurring Cost:	$ 833,400	
Additional Manpower: 18 FTE		$383,400
Other Recurring Costs:		$450,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	...	...	...
Alterations	88,476	$82.46	$ 7,296
Other Costs			
A. Utilities beyond 5' line & sitework			943
B. Projected Inflation			2,161
			$10,400

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$10,400	...	$10,400	...

Various Stations

Advance Planning Fund

I. Justification for Proposed Program

To achieve the greatest possible accuracy in estimating design and construction funds to be requested in annual budgets, precision in project definition, requirements, scope and design concept is needed. Development of projects through preliminary planning will significantly assist in arriving at a reliable cost estimate. Funds will be required to complete these preliminary plans using private design firms. This funding is needed primarily to develop the FY 1985 construction program. Some projects with shorter conceptual phases may appear in the FY 1984 request, while others will move into FY 1986 and future budgets as the priorities and conditions change within the VA system. Nonetheless, this request plus the anticipated unobligated balance available at the beginning of FY 82 will provide the funding necessary for the initial conceptual and design planning for the projected FY 85 budget level.

II. Description of Proposed Program

It is proposed to fund this preliminary development through an Advance Planning Fund.

III. Budget Authority (In Thousands of Dollars)

FY 1982 Request .... $ 16,500

VAMC ATLANTA, GEORGIA

Warehouse and Engineering Building

I. Justification for Proposed Project

The existing warehouse is considerably deficient in space as are the administrative offices.

II. Description of Proposed Project

This project proposes construction of an addition to the south end of the hospital at the ground floor and basement levels to provide 12,000 net square feet of warehouse space and 6,000 net square feet for engineering offices and shops. Space vacated by Engineering Service in the main hospital will be used to realign and expand other administrative offices.

III. A-95 Summary

Notification was made to the State and Areawide Clearinghouses on April 20, 1979. Both Clearinghouses responded favorably on August 3 and 6, 1979, respectively.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$75,000	
One Time Non-recurring Cost:	$ 5,000	
Total Recurring Cost:	$72,600	
Additional Manpower: 2 FTE		$42,600
Other Recurring Cost:		$30,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	19,146	$69.15	$ 1,324
Alterations	...	...	72
Other Costs			
A. Parking			288
B. Utility Agreement			15
C. Projected Inflation			251
			$ 1,950

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$1,950	$110	$1,840	...

Funding Plan ($ IN 000)

FY 1977 – $110

14-36 R

VAMC BROOKLYN, NEW YORK

Air, Oxygen, Vacuum System

I. Justification for Proposed Project

Central air, oxygen and vacuum is currently available only in the intensive care and recovery rooms. Portable equipment is now employed and is inefficient and requires on-floor storage of gases. Piped medical gases into operating room suites will remove tanks from this critical area.

II. Description of Proposed Project

Additional oxygen storage capacity, piping to the main building, air oxygen, and vacuum vertical risers with sufficient capacity to serve wards (508 beds), will be installed. Horizontal lines will terminate at patient bedside power units in patient bedrooms, and at ceiling fixtures in operating room suites.

Vacuum pumps, air compressors, dryers and oxygen equipment will be installed to serve the new system. Oxygen alarms will be provided for new equipment and integrated with existing systems. This project will provide a complete medical gas system for medical wards. Although originally placed in the Minor Construction category, this project was subsequently determined to be a Major Construction project and requirements were developed on that basis.

It has been determined that the project is inadequately funded, and delays were incurred during an effort to reduce the scope to comply with available funds. It was determined that a scope reduction would have to be too substantial and it was decided to fund the complete project for $3,900.

III. A-95 Summary

A-95 notification is not required for this project.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$75,000
One Time Non-recurring Cost:	$ 5,000
Total Recurring Cost:	$36,300
Additional Manpower: 1 FTE	$21,300
Other Recurring Cost:	$15,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	...	...	...
Alterations			$3,027
Other Costs			
A. SBA 8(a) Contract Allowance			508
B. Projected Inflation			365
			$3,900

VI. Budget Authority

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$3,900	$1,136	$2,764	...

Funding Plan ($ IN 000)
FY 1979 — $1,136
1981 — 2,614

VAMC BROOKLYN (ST. ALBANS), NEW YORK

Laundry Consolidation

I. Justification for Proposed Project

Existing laundry facilities at VAMC Brooklyn Division and St. Albans Division, and VAMC Northport are antiquated. The Bronx replacement hospital did not include laundry facilities. In order to provide the laundry services for the aforementioned Medical Centers in a cost effective manner, a consolidated laundry facility is proposed to be located at the St. Albans Division.

II. Description of Proposed Project

A new laundry building of approximately 50,000 gross square feet is to be constructed. The laundry is planned to operate five twelve hour days per week, in order to process 8,200,000 pounds of laundry annually. The laundry facility, as originally proposed in the FY 1976 Budget, was planned around an existing laundry building at the St. Albans site using high speed compact equipment that would handle the workload and fit into the existing building space. It was found after further developement that costs for equipment were sufficiently high, and the use of an existing building sufficiently restrictive; that constructing a new laundry building would result in a more viable project. The newly proposed laundry will be able to process projected future workloads in a more efficient and cost effective manner. The additional funds requested will establish a complete centralized facility. Inflation of construction costs as well as the greatly improved concept have caused the increased cost.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on December 17, 1980. Therefore, Clearinghouse replies to our notification are still within the time limits for comments.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:		$1,200,000
One Time Non-recurring Cost:		$ 25,000
Total Recurring Cost:		$ 172,400
Additional Manpower:	8 FTE	$170,400
Other Recurring Cost:		$ 2,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	50,000	$208.32	$10,416
Alterations	...		...
Other Costs			
A. SBA 8(a) Contract Allowance			1,528
B. Projected Inflation			1,456
			$13,400

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$13,400	$2,727	$10,673	...

Funding Plan ($ IN 000)
FY 1976 — $1,996
1978 — 731

14-38 R

VAMC EAST ORANGE, NEW JERSEY

Improvements and Corrections
for Building Environmental Deficiencies

I. Justification for Proposed Project

While the building structure remains serviceable, the internal environment no longer conforms to modern fire & safety codes or standards for patient care. The building must be brought up to safe code levels and air conditioned for summer/winter temperature and humidity control in this extreme temperate climate.

II. Description of Proposed Project

This project will correct the above deficiencies and encompass a central air conditioning system with new central refrigeration plant. A previously programmed and funded project for fire safety corrections has been combined with the environmental project to provide for fire/safety requirements.

As reported in last year's prospectus, the project was restudied and more economical solutions were found to correct several of the deficiencies. However, the time consumed in study and redesign, including the requirement to readvertise and select a new design team, has more than offset the economies achieved because of the continuing unusually high inflationary construction market place in this area.

III. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$1,000,000	
One Time Non-recurring Cost:	$ 350,000	
Total Recurring Cost:	$1,445,500	
Additional Manpower: 35 FTE		$745,500
Other Recurring Cost:		$700,000

IV. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	...	...	...
Alterations			$26,650
Other Costs			
A. Projected Inflation			7,040
			$33,690

V. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$33,690	$31,669	$2,021	...

Funding Plan ($ IN 000)

FY 1975 — $1,669
1976 — 1,913
1978 — 13,301
1981 — 14,786

VAMC HINES, ILLINOIS

Supply Depot Expansion

I. Justification for Proposed Project

The Hines Depot receives, stores, and issues more than 2,000 items of medical supplies and equipment, subsistence and miscellaneous items for 76 VA medical centers and 150 other governmental facilities located in the Midwest. It is necessary to provide additional warehouse space and loading/unloading dock areas.

II. Description of Proposed Project

The project will provide for the construction of a new addition to Building 37 which will expand the loading dock and storage space at the depot. Additional air conditioning capability will be provided for drug and refrigerated items.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on March 8, 1978. The Areawide Clearinghouse responded on May 3, 1978, and offered no comment. The State Clearinghouse acknowledged receipt on April 17, 1978. No further comment has been received.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$300,000	
One Time Nonrecurring Cost:	$ 15,000	
Total Recurring Cost:	$145,200	
Additional Manpower: 4 FTE		$ 85,200
Other Recurring Cost:		$ 60,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	78,500	$41.03	$3,221
Alterations	...	...	...
Other Costs			
A. Sitework Landscaping			578
B. Building 37 - Fire & Safety Safety, Electircal, Some Air Conditioning, etc.			2,065
C. SBA 8(a) Contract Allowance			779
D. Projected Inflation			2,357
			$9,000

VI. Budget Authority

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$9,000	...	$9,000	...

VAMC LOUISVILLE, KENTUCKY

Medical Gases, Nurses Call and Patient Privacy

I. Justification for Proposed Project

The existing medical gases are available in only a few patient bedrooms, and it is not possible to extend the present system. The nurse call system is 30 years old, obsolete, and does not produce a video signal. Wards require partitioning to meet patient privacy standards.

II. Description of Proposed Project

This project proposes to provide a centralized air-oxygen-vacuum system to each medical and surgical bed unit. The obsolete nurse call system will be replaced. Privacy partitioning will allow installation of medical gases, nurse call, and overhead lights for reading and examination. The nurse call will be extended to the congregate toilet and bathing areas.

III. A-95 Summary

A-95 notification is not required on this project.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$300,000	
One Time Non-recurring Cost:	$ 10,000	
Total Recurring Cost:	$ 52,600	
Additional Manpower: 2 FTE		$42,600
Other Recurring Cost:		$10,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	...	...	...
Alterations	91,025	$32.62	$ 2,970
Other Costs			
A. Projected Inflation			730
			$ 3,700

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$3,700	...	$3,700	...

VAMC DANVILLE, ILLINOIS

Relocate and Expand Processing and Distribution

I. Justification for Proposed Project

Medical Center is critically deficient in space for Processing and Distribution (PAD) and Surgical activities.

II. Description of Proposed Project

This project will relocate and expand Supply Processing and Distribution into vacated space on the second floor of Building 58. Surgery Service and General Purpose Intensive Care Unit will then expand into space vacated by SPD.

III. A-95 Summary

A-95 notification is not required for this project.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$500,000	
One Time Non-recurring Cost:	$ 75,000	
Total Recurring Cost:	$152,800	
Additional Manpower: 6 FTE		$127,800
Other Recurring Costs:		$ 25,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	...	...	...
Alterations	45,568	$89.80	$ 4,092
Other Costs			
A. Emergency Generator and Freight Elevator			312
B. Phasing			439
C. Projected Inflation			1,557
			$ 6,400

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$6,400	...	$6,400	...

VAMC MEMPHIS, TENNESSEE

120-Bed Spinal Cord Injury
and Research & Education

I. Justification for Proposed Project

The existing spinal cord injury beds are on upper floors of the main hospital building and should be at ground level. The facilities are undersized, fragmented from supporting elements, and located on floors that have inhibiting factors for essential rehabilitation programs, wheelchairs, litter transportation, and patient evacuation.

II. Description of Proposed Project

Project provides for construction of a new 120 bed spinal cord injury building with supporting clinics. The building will be connected by corridor to the main medical center building. An Outpatient Clinic for spinal cord injury patients will be included in the new building. Major rehabilitation facilities; i.e., driver training simulators, corrective therapy and physical therapy will be included in the spinal cord injury building. The basement level will contain new clinical research facilities and a central orthotics laboratory. The present authorized beds at this medical center is 922. The addition of these 120 SCI beds will bring the total authorized to 1,042. In renovating the vacated space (projects in the 5 year plan) for acute beds and support services, there is a possible loss of 40 beds at that future date.

III. A-95 Summary

The VA notified State and Areawide Clearinghouses on December 20, 1979. No acknowledgements have been received from either Clearinghouse.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$3,500,000
One Time Non-recurring Cost:	$ 600,000
Total Recurring Cost:	$ 400,000
Additional Manpower: None	
Other Recurring Cost:	$400,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	192,521	$122.04	23,496
Alterations	10,320	45.74	472
Other Costs			
A. Site work & O/S Utilities			1,120
B. Connecting Corridors			928
C. Art-in-Architecture			50
D. Impact Cost			50
E. Projected Inflation			7,884
			$34,000

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$34,000	...	$34,000	...

VAMC ST. LOUIS (JOHN COCHRAN), MISSOURI

Clinical Addition, Ward Renovation and
New Ambulatory Care Building

I. Justification for Proposed Project

This Medical Center is greatly deficient in space for Outpatient, Surgical Service, Intensive Care Units, Nuclear Medicine, Outpatient Mental Health, Education, Nursing Units, Organ Transplant, Clinical Cardiac Laboratory, Inpatient Pharmacy, Laboratory and other functional areas.

II. Description of Proposed Project

Project will consist of new construction and renovation work as follows:

a. Construction of a new five story addition consisting of Laboratory Service, Clinical Cardiac Lab, interstitial space, Surgical Suite, Surgical Intensive Care Unit, mechanical penthouse, Medical Intensive Care Unit, Coronary Care Unit, and Organ Transplant Unit.

b. New construction at the basement and first floor levels at the West end of the outpatient wing, to accommodate additional space for mechanical and electrical functions, and the new Supply Processing and Distribution unit and expansion of Ambulatory Care. The previous FY 1980 funded New Ambulatory Care Building and New Mental Health Care project is being combined with this project to decrease future staffing requirements and connect directly with the existing ambulatory care function.

c. Renovation work in existing construction for Supply Processing Distribution, Nuclear Medicine, Radiology, Surgical Service, Outpatient, two 30-bed medical nursing units, one 3-Bed surgical nursing unit, Medical Service Administration, and Inpatient Pharmacy.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on July 14, 1978. The State Clearinghouse responded on August 10, 1978, and offered no comment. The Areawide Clearinghouse responded on August 23, 1978, and offered no comment.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$4,500,000	
One Time Non-recurring Cost:	$ 550,000	
Total Recurring Cost:	$2,447,800	
Additional Manpower: 76 FTE		$1,618,800
Other Recurring Costs:		$ 829,000

VAMC ST. LOUIS (JOHN COCHRAN), MISSOURI (Cont'd)

Clinical Addition, Ward Renovation and
New Ambulatory Care Building

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ In 000)
New Construction	142,203	$156.96	$22,334
Alterations	89,163	108.63	9,686
Other Costs			
A. Utilities			1,937
B. Site Clearance & Demo.			684
C. Seismic			684
D. Elevators			148
E. Projected Inflation			10,027
			$45,500

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$45,500	$2,079	$43,421	...

Funding Plan ($IN 000)
FY 1980 - $2,079

VAMC WOOD, WISCONSIN

Relocate Nuclear Medicine

I. Justification for Proposed Project

Nuclear Medicine is located in Wing D of Building No. 70, a multi-story brick structure which was built in 1922 and reflects design concepts of that era. Relocation of Nuclear Medicine from this building to the main hospital building will bring the service into direct proximity with the patients it serves and correct critical space and functional deficiencies. The existing Nuclear Medicine laboratories are crowded and hazardous. The vacated area in Building No. 70 will provide space for Medical Research functions.

II. Description of Proposed Project

Project proposes to relocate Nuclear Medicine Service to a former ward on the tenth floor of the main hospital building (No. 111), thus eliminating existing space and functional deficiencies. The new location will result in more efficient inpatient and outpatient services.

III. A-95 Summary

A-95 notification is not required for this project.

IV. Annual Operating, Staff and Equipment cost (Dollars)

Equipment Cost:	$175,000	
One Time Non-recurring Cost:	$ 20,000	
Total Recurring Cost:	$ 73,900	
Additional Manpower: 3 FTE		$63,900
Other Recurring Costs:		$10,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	...	...	...
Alterations	10,860	$114.34	$ 1,242
Other Costs			
A. Sitework			14
B. SBA 8(a) Contract Allowance			159
C. Projected Inflation			285
			$ 1,700

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$1,700	$128	$1,572	...

Funding Plan ($ IN 000)

FY 1978 - $128

14-46R

Various Stations

Energy Conservation

I. Justification for Proposed Program

The reduction of fuel requirements requested by the President, along with the philosophy of zero growth in power use, has impelled the Veterans Administration to include in its FY 1982 construction program projects which will enhance government leadership in these areas. All projects selected for this category will have significant energy saving potential.

II. Description of Proposed Program

Design of these projects will be on an individual basis to meet specific energy conservation requirements. Projects will include alteration of existing energy systems to augment their efficiency and reduce energy consumption. Other projects will make use of solar energy to provide domestic hot water.

III. Budget Authority (In Thousands of Dollars)

FY 1982 Request..... ~~$10,137~~ 12,723

VAMC SAN ANTONIO, TEXAS

Sprinkler System/Horizontal Exits
and Correct Fire & Safety Deficiencies

I. Justification for Proposed Project

Changes in the Life Safety Code have brought this facility into a deficient status in the areas of fire exit corridors and sprinkling of interstital space. Also, the project is necessary to correct a fire & safety deficiency cited by the Joint Commission on Accreditation of Hospitals.

II. Description of Proposed Project

Project proposes to sprinkle all floors and equipment rooms in the interstital space in Building No. 1. Protected horizontal exits will be provided to link floors to exterior exits or stairtowers.

III. A-95 Summary

A-95 notification is not required for this project.

IV. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	...	...	...
Alterations	631,532	$5.88	$ 3,712
Other Costs			
A. Impact Cost			44
B. SBA 8(a) Contract Allowance			519
C. Projected Inflation			1,425
			$ 5,700

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$5,700	...	$5,700	...

VAMC SEPULVEDA, CALIFORNIA

Eliminate Fire & Safety Deficiencies

I. Justification for Proposed Project

Provision of sprinklers and other means for correcting fire and safety hazards are required to comply with the National Bureau of Standards' Fire Zone Safety Evaluation Method.

II. Description of Proposed Project

This project proposes to provide automatic sprinklers, new stairs, new doors to the exterior, new corridor partitions, and new smoke partitions to correct safety deficiencies. Buildings affected by this project are Nos. 1, 2, 3, 4, 5, 7, 10, 20, 22, 23, 45, and 60. The cost of the project has increased due to a scope change requiring the installation of automatic sprinklers in Building Nos. 2-5, 10, and 20. Additional funds are also needed to offset the cost of inflation.

III. A-95 Summary

A-95 notification is not required for this project.

IV. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	2,615	$232.50	$ 608
Alterations	453,598	14.56	6,605
Other Cost			
A. Projected Inflation			787
			$8,000

V. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$8,000	$1,614	$6,386	...

Funding Plan ($ IN 000)

FY 1980 - $1,614

VAMC FRESNO, CALIFORNIA

Correction of Seismic Deficiencies

I. Justification for Proposed Project

After the February, 1971 earthquake that destroyed the older buildings at VAH San Fernando, California, the Veterans Administration organized a committee of expert consultants to develop criteria and a program to investigate the capability of VA facilities to withstand seismic shocks. The buildings at the Fresno VA Medical Center were evaluated in the Phase I and Phase II studies completed in May, 1975 and January, 1976, respectively. The results of these consultant studies indicated that Building Nos. 1, 3, 10, and 11 required corrective action to meet VA seismic criteria.

The site is located in a seismically active area. The San Andreas Fault is located 65 miles to the west. An earthquake on this fault would cause an Intensity VII impact on this site.

II. Description of Proposed Project

It is proposed to take such action as is necessary to reinforce the buildings to withstand seismic upheavals of the intensity associated with this geographic zone. The method of correction proposed by the Phase II study consists of interior reinforcement. Various methods appropriate to each building include adding new interior shear walls and reinforcing existing concrete stairwells.

After requesting additional funds in the FY 1981 budget, the need for a more sophisticated reinforcing system resulted in an adjustment in the schedule for construction as well as a significant increase in the total estimated cost of this project due to inflation.

III. A-95 Summary

A-95 notification is not required for this project.

IV. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	...	...	...
Alterations	...	...	...
Other Cost			
A. Seismic Corrections to Buildings 1,3,10, and 11			3,941
B. Impact Costs			118
C. Projected Inflation			541
			$ 4,600

V. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$4,600	$2,950	$1,650	...

Funding Plan ($ IN 000)

FY 1979 - $1,803
1981 - 1,147

14-50R

VAMC PALO ALTO, CALIFORNIA

Correction of Seismic Deficiencies
(Center Core Building)

I. Justification for Proposed Project

After the February, 1971 earthquake, which destroyed the older buildings at VAH San Fernando, California, the VA organized a committee of expert consultants to develop criteria and a program to investigate the capability of VA facilities to withstand seismic shocks. Facilities have been examined in geographic areas where moderate to severe earthquakes have occurred. VAMC Palo Alto was one of the sites evaluated by a team of architect-engineers. The results of their study, which have been reviewed by VA technical staff and the U.S. Geological Survey, indicate that numerous medical center buildings are not strong enough to resist an earthquake of the predicted intensity. It was also determined that services do not meet current space planning criteria and VA standards. It would be economically infeasible to reinforce these buildings.

II. Description of Proposed Project

This project will provide a new building to house services and functions now located in buildings that are below acceptable seismic standards and are not considered economical to reinforce. Seismically unsafe buildings vacated as a result of this project will be demolished in the future. Functions involved are Medical Administration, Rehabilitation Medicine Service, Voluntary, Outpatient Psychiatry, Dental, Radiology, EENT, Engineering, Ambulatory Care, Pharmacy, Brain Injury Clinic, Credit Union, Activities of Daily Living Center, Building Management, Canteen, Dietetics, Education, Medical Center Director's Suite, Library, Medical Media, Nursing, Personnel, Psychology, Psychiatry, Service Organizations, Social Work, Supply, and Veterans Assistance.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on March 31, 1978. The Areawide Clearinghouse responded on May 19, 1978, and offered no comment. No response has been received from the State Clearinghouse.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$6,000,000	
One Time Non-recurring Cost:	$ 300,000	
Total Recurring Cost:	$ 587,300	
Additional Manpower: 21 FTE		$447,300
Other Recurring Cost:		$140,000

VAMC PALO ALTO, CALIFORNIA

Correction of Seismic Deficiencies (Cont'd)
(Center Core Building)

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	165,470	$133.82	$22,144
Alterations	...	...	...
Other Cost			
A. Utilities			1,235
B. Sitework			821
C. Building Demolition			640
D. Parking			375
E. Projected Inflation			4,985
			$30,200

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$30,200	$3,015	$27,185	...

Funding Plan ($ IN 000)
FY 1981 - $3,015

14-52 R.

FORT SNELLING NATIONAL CEMETERY, MINNESOTA

Develop 29 Acres for Gravesites and Additional Facilities

I. Justification for Proposed Project

The projected closeout date for available gravesites is March 1985, based on a projected average burial rate of 3,000 per year, therefore, additional gravesite acres are needed. In order to establish and maintain turf and plantings, an irrigation system is necessary due to soil conditions and seasonal rainfall patterns. Portions of the existing cemetery have irrigation and there is a need to irrigate approximately 40 acres of previously developed area in addition to the new acreage developed in this project.

II. Description of Proposed Project

The project will develop approximately 29 acres for burial purposes of which 6 1/2 (net) are located in previously developed portions of the cemetery but which are not completely accessible until access roads are constructed. The remaining 22 1/2 acres will yield a new burial area of 19 acres and are located in a previously undeveloped portion of the cemetery. The project will yield a total of approximately 19,000 gravesites, of which 14,300 are located in the 22 1/2 acre development and 4,700 in the 6 1/2 acre development. These gravesites will meet projected burial requirements through the latter part of FY 1989, at the projected average usage rate of 3,700 gravesites per year. The project will include all necessary roadways, utilities, irrigation system, drainage and landscaping.

III. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$ 10,000
Total Recurring Cost:	$104,000

IV. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
Other Costs			
A. New Water Supply, Storm Drainage and Automatic Irrigation			$ 892
B. Develop New 22.5 Acres			1,016
C. Automatic Irrigation to Existing 40 Acres			1,501
D. SBA 8(a) Contract Allowance			453
E. Projected Inflation			1,938
			$5,800

V. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$5,800	...	$ 580	$5,220

REGION V NATIONAL CEMETERY

Develop 115 Acres for Interments
Administration and Service Buildings

I. Justification for the Project

This is the initial project for the new National Cemetery. It will provide basic elements necessary for the establishment and day-to-day operation and maintenance of a National Cemetery burial area, administrative and service building space, entrance area, flagpole and assembly area, circulation, utilities, and landscape amenities. Administrative and maintenance activities must be expeditiously accomplished with dignity. Costly interment and maintenance equipment and supplies must be protected from vandalism and damaging weather.

II. Description of the Project

This project will develop approximately 115 gross areas which include building sites, roadways, assembly areas, and burial areas. The project provides for an administration building of approximately 5,060 gross square feet and a service building of approximately 9,170 gross square feet. There will be two committal shelters and an area for the burial of approximately 500 cremated remains which will provide space for a five to ten year period. A public restroom building will be provided in the vicinity of the committal shelters.

A nine acre area will be developed and monumented to provide approximately 7,100 6' X 10' gravesites with a capacity of two side-by-side casketed remains at a five foot depth. The remaining approximately 14 net acres of gravesites will be cleared, graded, and planted to soil-improving cover crops in order to increase its water holding capacity to sustain turf without irrigation. This area will be fine-graded, turfed, and monumented under a separate future contract to provide about 10,150 additional gravesites. Together these areas, at a projected yearly gravesite usage of 3,520, should provide burial space for about five years.

As described above, the scope of work has not appreciably changed from that described in the FY 1980 prospectus except that more detailed information is now available. The actual gravesite yield (approximately five years worth) is the same even though the gross acreage figure, 115 as compared to the previous 50, are quite different. This is due to the fact that the project calls for the construction of the initial central roadway system for the cemetery connecting the main entrance, building sites and burial areas and in doing so encompasses many acres of land (gross acres) which will always be left in their natural state such as wetlands and steep slopes. It has been determined through a master plan design and estimate process that the project is inadequately funded. When the FY 1980 budget was established, the site had not been selected nor any plans developed.

III. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$1,222,000
Total Recurring Cost:	$ 190,000

REGION V NATIONAL CEMETERY

Develop 115 Acres for Interments
Administration and Service Buildings (Cont'd)

IV. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction			
Administration Building	5,060	$169.37	$ 857
Service Building	9,170	138.82	1,273
Other Costs			
A. Sitework			2,350
B. Miscellaneous Costs			444
C. Master Plan Fee			325
D. Projected Inflation			751
			$6,000

V. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$6,000	$4,000	$2,000	...

Funding Plan ($ IN 000)

FY 1978 - $ 300
1979 - 350
1980 - 3,350

14-55R

RIVERSIDE NATIONAL CEMETERY, CALIFORNIA

Phase III, Develop 57 Acres

I. Justification for the Project

The available gravesites provided by Phase I and Phase II will be exhausted by about April 1988. This projected burial rate for 1988 is 5,980 and this rate is expected to increase to 6,500 yearly by 1991. Approximately 37,200 gravesites are needed to have the new development last approximately five years, which is a normal goal.

II. Description of Proposed Project

The project provides for the development of 57 gross acres for standard 6'X10' in-ground interments and construction of 3,000 nich columbarium for cremated remains. This development will include light clearing, grubbing and grading, storm drainage, water distribution, automatic irrigation system, utilities, gravesite monumentation, roads and curbs, service drives, turf and landscaping. Based on a yield of approximately 600 gravesites per acre, the 57 acre development will provide 34,200 sites plus 3000 columbaria niches for a total of 37,200. This development will serve interment needs through 1994.

III. Annual Operating, Staff and Equipment Cost: (Dollars)

Equipment Cost:	$14,500
Total Recurring Cost:	$60,000

IV. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
Other Costs			
A. Site Construction & Utilities			$ 3,167
B. Columbaria Niches (3000)			677
C. Projected Inflation			1,256
			$ 5,100

V. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$5,100	...	$ 510	$4,590

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The construction, Major spread sheets have not been altered to reflect the March Budget Revisions.

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
REPLACEMENT AND MODERNIZATION								
ALBUQUERQUE,NM	NEW CLINICAL SERVICES AND BED BLDG.	115,000					11,500	103,500
AUGUSTA,GA	REPLACEMENT HOSPITAL	43,200	43,200			43,200		
BALTIMORE,MD	REPLACEMENT HOSPITAL	104,460	88,790	7,670		96,460	8,000	
BAY PINES,FL	REPLACEMENT HOSPITAL	111,985	111,985			111,985		
BIRMINGHAM,AL	CLINICAL ADDITION AND WARD MODERIZATION	55,300					5,600	49,700
BOISE,ID	CLINICAL SUPPORT FACILITY	5,041	5,215		-174	5,041		
BRONX,NY	REPLACEMENT HOSPITAL	115,242	115,242			115,242		
CAMDEN,NJ	REPLACEMENT HOSPITAL	75,300	75,300			75,300		
CHILLICOTHE,OH	MODERNIZATION	10,028	10,028			10,028		
CHILLICOTHE,OH	MODERNIZATION	13,700		13,700		13,700		
COLUMBIA,SC	NEW BED BLDG. AND MOD	26,500	26,500			26,500		
DENVER,CO	CLINICAL SUPPORT WING,A/C SAFETY AND FIRE	58,000	5,908			5,908	52,092	
HAMPTON,VA	MODERNIZATION	8,889	8,889			8,889		
LITTLE ROCK,AK	REPLACEMENT HOSPITAL	142,450	128,210	14,240		142,450		
LOMA LINDA, CA	REPLACEMENT HOSPITAL	64,900	64,900			64,900		
LOS ANGELES,CA	REPLACEMENT HOSPITAL	87,029	87,029			87,029		
MADISON,WI	MODERNIZATION	11,955	11,955			11,955		
MARTINSBURG,WV	REPLACEMENT HOSPITAL	74,857	74,610		247	74,857		
MINNEAPOLIS,MN	REPLACEMENT HOSPITAL	255,000		15,000		15,000		240,000
NEW ORLEANS,LA	MOD EXPAND CL,C/P,EDUC AND RESEARCH SPACE	67,650		67,650		67,650		
NEW ORLEANS,LA	ACQUISITION OF LAND	1,800	1,800			1,800		
NORTHPORT,NY	REPLACEMENT HOSPITAL	26,046	25,930		116	26,046		
OKLAHOMA CITY,OK	CLINICAL ADDITION/MOD SAFETY AND FIRE	39,188	39,188			39,188		

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)

($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
REPLACEMENT AND MODERNIZATION										
ALBUQUERQUE,NM	NEW CLINICAL SERVICES AND BEC BLDG.	115,000				5,322	109,678			6,178
AUGUSTA,GA	REPLACEMENT HOSPITAL	43,200	41,878	262	1,060			1,060		
BALTIMORE,MD	REPLACEMENT HOSPITAL	104,460	3,793	4,956	78,480	3,721	13,590	80,041	9,311	13,590
BAY PINES,FL	REPLACEMENT HOSPITAL	111,985	30,997	62,217	2,924	13,883	1,964	18,771	15,847	1,964
BIRMINGHAM,AL	CLINICAL ADDITION AND WARD MODERIZATION	55,300				3,665	51,635			1,935
BOISE,ID	CLINICAL SUPPORT FACILI	5,041	5,046	-5						
BRONX,NY	REPLACEMENT HOSPITAL	115,242	100,904	3,595	9,904	747	92	18,743	839	92
CAMDEN,NJ	REPLACEMENT HOSPITAL	75,300	242			648	74,410	75,058	75,058	74,410
CHILLICOTHE,OH	MODERNIZATION	10,028	9,225	189	614			614		
CHILLICOTHE,OH	MODERNIZATION	13,700			11,876	534	1,290		1,824	1,290
COLUMBIA,SC	NEW BED BLDG. AND MOD	26,500	25,455	60	985			985		
DENVER,CO	CLINICAL SUPPORT WING,A SAFETY AND FIRE	58,000	25	3,362		49,316	5,297	2,521	2,521	5,297
HAMPTON,VA	MODERNIZATION	8,889	8,748	52	89			89		
LITTLE ROCK,AK	REPLACEMENT HOSPITAL	142,450	9,436	57,512	65,267	4,240	5,995	61,262	10,235	5,995
LOMA LINDA, CA	REPLACEMENT HOSPITAL	64,900	63,141	960	799			799		
LOS ANGELES,CA	REPLACEMENT HOSPTIAL	87,029	85,746	178	1,105			1,105		
MADISON,WI	MODERNIZATION	11,955	11,045	86	824			824		
MARTINSBURG,WV	REPLACEMENT HOSPITAL	74,857	28,831	40,436	2,897	764	1,929	5,590	2,693	1,929
MINNEAPOLIS,MN	REPLACEMENT HOSPITAL	255,000			9,246	2,732	243,022		5,754	3,022
NEW ORLEANS,LA	MOD EXPAND CL,O/P,EDUC AND RESEARCH SPACE	67,650			698	62,478	4,474		66,952	4,474
NEW ORLEANS,LA	ACQUISITION OF LAND	1,800		1,600	200			200		
NORTHPORT,NY	REPLACEMENT HOSPITAL	26,046	25,930		116			116		
OKLAHOMA CITY,OK	CLINICAL ADDITION/MOD SAFETY AND FIRE	39,186	2,095	136	30,969	1,285	4,703	36,957	5,988	4,703

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
REPLACEMENT AND MODERNIZATION								
PHOENIX,AZ	328 BED ADDITION AND MODERNIZATION	20,274	20,429		-155	20,274		
PHOENIX,AZ	MODERNIZATION PH II	5,573	5,619		-46	5,573		
PORTLAND,OR	PORTLAND/VANCOUVER REPLACEMENT HOSPITALS	176,100	141,271			141,271	34,829	
RICHMOND,VA	REPLACEMENT HOSPITAL	120,587	116,000		4,587	120,587		
SALT LAKE CITY,UT	AMB CARE ADN LAB ADN RES ED CL IMPR SURG + PAC	21,718	21,718			21,718		
SAN ANTONIO,TX	760 BED HOSPITAL	37,103	37,103			37,103		
SAN DIEGO,CA	811 BED RELOCATION HOSPITAL	40,244	40,244			40,244		
SAN FRANCISCO, CA	REPLACEMENT HOSPITAL	16,778	16,778			16,778		
SAN FRANCISCO, CA	REMODEL BLDGS 2,4,200 FOR NEW FUNCTION	30,500	1,350	998		2,348		28,152
SEATTLE,WA	REPLACEMENT HOSPITAL	128,900	90,620			90,620	29,720	8,560
ST.ALBANS(DIV),NY	MODERNIZATION	6,000	6,000			6,000		
WEST ROXBURY,MA	MODERNIZATION	30,358	21,913	8,845		30,358		
WICHITA,KS	MED ADDN + ALTERATIONS PHASEI	6,716	5,284	1,432		6,716		
SUBTOTAL (36)		2154371	1448608	129535	4575	1582718	141741	429912

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)

($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	1981	1982
REPLACEMENT AND MODERNIZATION										
PHOENIX,AZ	328 BED ADDITION AND MODERNIZATION	20,274	20,078	196						
PHOENIX,AZ	MODERNIZATION PH II	5,573	5,540	6	27			27		
PORTLAND/VANCOUVER	REPLACEMENT HOSPITALS	176,100	227	2,941		71,931	101,001	136,103	136,103	101,001
RICHMOND,VA	REPLACEMENT HOSPITAL	120,587	25,409	84,634	1,700	7,717	1,127	10,544	8,844	1,127
SALT LAKE CITY,UT	AMB CARE ADN LAB ADN RE ED CL IMPR SURG + PAD	21,718	21,718	-268	268			268		
SAN ANTONIO,TX	760 BED HOSPITAL	37,103	37,103							
SAN DIEGO,CA	811 BED RELOCATION HOSPITAL	40,244	40,120		124			124		
SAN FRANCISCO, CA	REPLACEMENT HOSPITAL	16,778	16,778							
SAN FRANCISCO, CA	REMODEL BLDGS 2,4,200 F NEW FUNCTION	30,500	622	-2	1,248		28,632	730	480	480
SEATTLE,WA	REPLACEMENT HOSPITAL	128,900	7,172	19,480	549	58,861	42,838	63,968	63,419	34,278
ST.ALBANS(DIV),NY	MODERNIZATION	6,000	5,913	13	66	8		74	8	
WEST ROXBURY,MA	MODERNIZATION	30,358	12,438	1,134	12,918	749	3,119	7,941	3,868	3,119
WICHITA,KS	MOD ADDN + ALTERATIONS PHASEI	6,716	99	377	5,772	202	266	4,808	468	266
SUBTOTAL (36)		2154371	645754	284107	240645	288803	695062	523322	412212	265150

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
NURSING HOME CARE								
ANN ARBOR,MI	NHC-120 BEDS	9,500					9,500	
ATLANTA,GA	NHC-120 BEDS	7,894	7,144		750	7,894		
BRONX,NY	NHC-120 BEDS	11,700		11,700		11,700		
COATESVILLE,PA	NHC-120 BEDS	8,500		8,500		8,500		
COLUMBIA,SC	NHC-120 BEDS	4,044	4,044			4,044		
DALLAS,TX	NHC-120 BEDS	8,500		7,850		7,850	650	
DENVER,CO	NHC-60 BEDS	6,500					6,500	
FRESNO,CA	NHC-60 BEDS	5,600					5,600	
GAINESVILLE,FL	NHC-120 BEDS	5,290	5,290			5,290		
HAMPTON,VA	NHC-120 BEDS	4,955	4,955			4,955		
HINES(VAH),IL	NHC-120 BEDS	8,550	674	7,876		8,550		
JACKSON,MS	NHC-120 BEDS	3,310	3,310			3,310		
KERRVILLE,TX	NHC-120 BEDS	7,750		7,750		7,750		
LAKE CITY,FL	NHC-120 BEDS	9,100					9,100	
LIVERMORE,CA	NHC-120 BEDS	7,111	7,111			7,111		
LOS ANGELES,CA	NHC-120 BEDS (CONVERSION B-215)	6,800					6,800	
MANCHESTER,NH	NHC-120 BEDS	3,391	3,429		-38	3,391		
MARION,IL	NHC-60 BEDS	5,800					5,800	
MEMPHIS,TN	NHC-120 BEDS	5,590	5,590			5,590		
MIAMI,FL	NHC-120 BEDS	5,199	5,199			5,199		
PALO ALTO(MPO),CA	NHC-150 BEDS	5,400	5,400			5,400		
PERRY POINT,MD	NHC-60 BEDS	2,747	2,747			2,747		
PHOENIX,AZ	NHC-120 BEDS	4,154	4,500		-346	4,154		
RENO,NV	NHC-60 BEDS	5,100		5,100		5,100		
SEPULVEDA,CA	NHC-180 BEDS REHAB	3,527	3,527			3,527		
SPOKANE,WA	NHC-60 BEDS	6,000					6,000	
TAMPA,FL	NHC-120 BEDS	10,600					10,600	
TEMPLE,TX	NHC-120 BEDS	4,237	4,237			4,237		

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	1981	1982
NURSING HOME CARE										
ANN ARBOR,MI	NHC-120 BEDS	9,500				7,686	1,814			1,814
ATLANTA,GA	NHC-120 BEDS	7,894	328	7,220	272	74		346	74	
BRONX,NY	NHC-120 BEDS	11,700			579	10,383	738		11,121	738
COATESVILLE,PA	NHC-120 BEDS	8,500				8,070	430		8,500	430
COLUMBIA,SC	NHC-120 BEDS	4,044	3,856	6	182			182		
DALLAS,TX	NHC-120 BEDS	8,500			385	7,577	538		7,465	538
DENVER,CO	NHC-60 BEDS	6,500				431	6,069			6,069
FRESNO,CA	NHC-60 BEDS	5,600				371	5,229			5,229
GAINESVILLE,FL	NHC-120 BEDS	5,290	4,973	64	97	114	42	253	156	42
HAMPTON,VA	NHC-120 BEDS	4,955	4,716	57	182			182		
HINES(VAH),IL	NHC-120 BEDS	8,550	353	54	7,644	210	289	267	499	289
JACKSON,MS	NHC-120 BEDS	3,310	3,297		13			13		
KERRVILLE,TX	NHC-120 BEDS	7,750			351	6,908	491		7,399	491
LAKE CITY,FL	NHC-120 BEDS	9,100				603	8,497			8,497
LIVERMORE,CA	NHC-120 BEDS	7,111	6,921	91	99			99		
LOS ANGELES,CA	NHC-120 BEDS (CONVERSION B-215)	6,800				451	6,349			6,349
MANCHESTER,NH	NHC-120 BEDS	3,391	3,391							
MARION,IL	NHC-60 BEDS	5,800				501	5,299			5,299
MEMPHIS,TN	NHC-120 BEDS	5,590	5,375	86	129			129		
MIAMI,FL	NHC-120 BEDS	5,199	4,579	132	118			118		
PALO ALTO(MPD),CA	NHC-150 BEDS	5,400	5,243	17	140			140		
PERRY POINT,MD	NHC-80 BEDS	2,747	2,512	62	173			173		
PHOENIX,AZ	NHC-120 BEDS	4,154	4,154							
RENO,NV	NHC-60 BEDS	5,100			4,606	242	252		494	252
SEPULVEDA,CA	NHC-180 BEDS REHAB	3,527	3,410		117			117		
SPOKANE,WA	NHC-60 BEDS	6,000				398	5,602			5,602
TAMPA,FL	NHC-120 BEDS	10,600				703	9,897			9,897
TEMPLE,TX	NHC-120 BEDS	4,237	3,962	148	78	49		127	49	

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND DF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
NURSING HOME CARE								
WASHINGTON, DC	NHC-120 BEDS AND CL FACIL UNDERGROUND PK GARAGE	24,600	19,707	4,893		24,600		
WICHITA,KS	NHC-60 BEDS	4,800					4,800	
WILKES-BARRE,PA	NHC-120 BEDS	6,010	5,764		246	6,010		
WILMINGTON,DE	NHC-60 BEDS	2,542	2,542			2,542		
SUBTOTAL (32)		214801	95170	53669	612	149451	65350	

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND DF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	1981	1982
NURSING HOME CARE										
WASHINGTON, DC	NHC-120 BEDS AND GL FAC UNDERGROUND PK GARAGE	24,600	1,115	14	18,128	2,456	2,887	18,578	5,343	2,887
WICHITA,KS	NHC-60 BEDS	4,800				4,371	429			429
WILKES-BARRE,PA	NHC-120 BEDS	6,010	415	5,322	273			273		
WILMINGTON,DE	NHC-60 BEDS	2,542	2,502		40			40		
SUBTOTAL (32)		214801	61502	13243	33606	51598	54852	21037	41100	54852

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CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
DOMICILIARIES								
BATH,NY	200-BED DOMICILIARY	10,255	10,255			10,255		
DAYTON,OH	200-BED DOMICILIARY	7,566	7,566			7,566		
HAMPTON,VA	200-BED DOMICILIARY	10,800	710	10,090		10,800		
WOOD,WI	200-BED DOMICILIARY	7,177	7,177			7,177		
SUBTOTAL (4)		35798	25708	10090		35798		

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	OBLIGATIONS ACTUAL FOR 1980	OBLIGATIONS ESTIMATED FOR 1981	OBLIGATIONS ESTIMATED FOR 1982	OBLIGATIONS ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
DOMICILIARIES										
BATH,NY	200-BED DOMICILIARY	16,255	9	6	9,042	662	536	10,240	1,198	536
DAYTON,OH	200-BED DOMICILIARY	7,566	7,206	51	169	140		309	140	
HAMPTON,VA	200-BED DOMICILIARY	10,800	321	7	9,843	200	429	382	629	429
WOOD,WI	200-BED DOMICILIARY	7,177	6,783	142	252			252		
SUBTOTAL (4)		35798	14319	206	19306	1002	965	11183	1967	965

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OUTPATIENT IMPROVEMENTS								
ALTOONA,PA	AMBULATORY CARE ADDITION	10,400		10,400		10,400		
ATLANTA,GA	AMBULATORY CARE ADDITION	8,361	8,361			8,361		
BATH,NY	AMBULATORY CARE ADDITION BLDG.NO.76	4,400		4,400		4,400		
BOSTON,MA	OUTPATIENT CLINIC	3,750	1,052			1,052		2,698
BROOKLYN,NY	OUTPATIENT CLINIC	4,469	350			350		4,119
BUFFALO,NY	OUTPATIENT CLINIC	5,910	5,734		176	5,910		
CHICAGO(LAKESIDE),IL	OUTPATIENT CLINIC	2,244	2,244			2,244		
CINCINNATI,OH	OUTPATIENT CLINIC	4,535	4,535			4,535		
CLEVELAND(WADE PARK),OH	OUTPATIENT CLINIC	2,222	2,358		-136	2,222		
DALLAS,TX	AMBULATORY CARE ADDITION AND RENOVATION	6,904	6,904			6,904		
DES MOINES,IA	AMBULATORY CARE ADDITION AND RENOVATION	4,300	2,644	1,656		4,300		
FRESNO,CA	OUTPATIENT CLINIC FACILITY	3,641	3,641			3,641		
HINES(VAH),IL	OUTPATIENT CLINIC	2,454	2,582		-128	2,454		
HOUSTON,TX	O/P CL BLDG AND 60 BED SCIU	12,485	12,485			12,485		
JACKSON,MS	UPDATE REGIONAL OFFICE SPACE FOR O/P CLINIC	3,850	3,850			3,850		
KANSAS CITY,MO	OUTPATIENT CLINIC	6,795	6,795			6,795		
LINCOLN,NE	OUTPATIENT ADDITION	9,200					9,200	
LONG BEACH,CA	OUTPATIENT CLINIC	6,443	6,443			6,443		
MARION,IL	OUTPATIENT ADDITION	11,400					11,400	
MEMPHIS,TN	AMBULATORY CARE ADDITION	9,250		9,250		9,250		
MIAMI,FL	O/P ADDN,RENOVATION AND SCI RELOCATION	49,000					49,000	
MUSKOGEE,OK	OUTPATIENT ADDITION	10,100					10,100	

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CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	OBLIGATIONS ACTUAL FOR 1980	OBLIGATIONS ESTIMATED FOR 1981	OBLIGATIONS ESTIMATED FOR 1982	OBLIGATIONS ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OUTPATIENT IMPROVEMENTS										
ALTOONA,PA	AMBULATORY CARE ADDITIO	10,400			515	9,236	649		9,885	649
ATLANTA,GA	AMBULATORY CARE ADDITIO	8,361	457	11	6,966	182	745	7,893	927	745
BATH,NY	AMBULATORY CARE ADDITIO BLDG.NO.76	4,400			3,286	789	325		1,114	325
BOSTON,MA	OUTPATIENT CLINIC	3,750					3,750	1,052	1,052	1,052
BROOKLYN,NY	OUTPATIENT CLINIC	4,469					4,469	350	350	350
BUFFALO,NY	OUTPATIENT CLINIC	5,910	5,554	176	180			180		
CHICAGO(LAKESIDE),IL	OUTPATIENT CLINIC	2,244	2,150		94			94		
CINCINNATI,OH	OUTPATIENT CLINIC	4,535	4,432	29	74			74		
CLEVELAND(WADE PARK),OH	OUTPATIENT CLINIC	2,222	2,224	-2						
DALLAS,TX	AMBULATORY CARE ADDITIO AND RENOVATION	6,904	560	5,756	88	252	248	588	500	248
DES MOINES,IA	AMBULATORY CARE ADDITIO AND RENOVATION	4,300	36	237	3,735	103	189	2,371	292	189
FRESNO,CA	OUTPATIENT CLINIC FACILITY	3,641	3,526	81	9	16	9	34	25	9
HINES(VAH),IL	OUTPATIENT CLINIC	2,454	2,448	6						
HOUSTON,TX	O/P CL BLDG AND 60 BED SCIU	12,485	111	21	80	1,435	10,838	12,353	12,273	10,838
JACKSON,MS	UPDATE REGIONAL OFFICE SPACE FOR C/P CLINIC	3,850	3,573	191	74	12		86	12	
KANSAS CITY,MO	OUTPATIENT CLINIC	6,795	6,629	1	165			165		
LINCOLN,NB	OUTPATIENT ADDITION	9,200				610	8,590			8,590
LONG BEACH,CA	OUTPATIENT CLINIC	6,443	6,300	-3	146			146		
MARION,IL	OUTPATIENT ADDITION	11,400				756	10,644			10,644
MEMPHIS,TN	AMBULATORY CARE ADDITIC	9,250			497	8,196	557		8,753	557
MIAMI,FL	O/P ADDN,RENOVATION AND SCI RELOCATION	49,000				3,248	45,752			45,752
MUSKOGEE,OK	OUTPATIENT ADDITION	10,100				669	9,431			9,431

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CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OUTPATIENT IMPROVEMENTS								
NASHVILLE,TN	AMBULATORY CARE RESEARCH AND EDUCATION ADDITION	11,900	11,900			11,900		
NEWINGTON,CT	OUTPATIENT CLINIC	1,229	1,229			1,229		
NORTHAMPTON,MA	EXPANSION OF OUTPATIENT CLINIC	2,460	2,460			2,460		
PALO ALTO(PAO),CA	OUTPATIENT CLINIC	2,944	2,944			2,944		
PROVIDENCE,RI	OUTPATIENT CLINIC	3,574	3,574			3,574		
SAN JUAN, PR	UPDATE RC SPACE FOR OPC PHASE I	6,832	6,832			6,832		
SHREVEPORT,LA	AMBULATORY CARE ADDITION CANCELLED		1,551		-1,551			
ST.LOUIS(SLO),MO	OUTPATIENT CLINIC	2,110	2,110			2,110		
TUCSON,AZ	OUTPATIENT CLINIC	2,578	2,717		-139	2,578		
TUSCALOOSA,AL	OUTPATIENT ADDITION	16,900					16,900	
TUSKEGEE,AL	AMBULATORY CARE ADDITION	3,579	4,350		-771	3,579		
WASHINGTON, DC	O/P CL RENOVATION AND ADMISSION CONSOLIDATION	4,465	4,225		240	4,465		
WHITE RIVER JUNCTION,VT	OUTPATIENT CLINICS	3,780	3,780			3,780		
WICHITA,KS	RENOVATION FOR O/P	10,400					13,400	
SUBTOTAL (36)		254864	117650	25706	-2309	141047	107000	6817

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OUTPATIENT IMPROVEMENTS										
NASHVILLE,TN	AMBULATORY CARE RESEARC AND EDUCATION ADDITION	11,904	11,740	-26	186			186		
NEWINGTON,CT	OUTPATIENT CLINIC	1,229	1,207		22			22		
NORTHAMPTON,MA	EXPANSION OF OUTPATIENT CLINIC	2,460	2,262	-1	199			199		
PALO ALTO(PAC),CA	OUTPATIENT CLINIC	2,944	2,921		23			23		
PROVIDENCE,RI	OUTPATIENT CLINIC	3,574	3,394	111	69			69		
SAN JUAN, PR	UPDATE RO SPACE FOR OPC PHASE I	6,832	113	286	5,025	1,226	182	6,433	1,408	182
SHREVEPORT,LA	AMBULATORY CARE ADDITIC CANCELLED									
ST.LOUIS(SLO),MO	OUTPATIENT CLINIC	2,110	2,104		6			6		
TUCSON,AZ	OUTPATIENT CLINIC	2,578	2,578							
TUSCALOOSA,AL	OUTPATIENT ADDITION	16,900				1,120	15,780			15,780
TUSKEGEE,AL	AMBULATORY CARE ADDITIC	3,579	64	3,179	113	135	88	336	223	88
WASHINGTON, DC	O/P CL RENOVATION AND ADMISSION CONSOLIDATION	4,465	258	3,955	50	104	98	252	202	98
WHITE RIVER JUNCTION,VT	OUTPATIENT CLINICS	3,780	3,483	113	124	60		184	60	
WICHITA,KS	RENOVATION FOR O/P	10,400				689	9,711			9,711
SUBTOTAL (36)		254864	68124	14121	21726	28838	122055	33096	37076	115238

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CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN $1 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
RESEARCH AND EDUCATION								
CHICAGO(LAKESIDE),IL	RENOVA. TO MED. SCIENCE BLDG.	4,493	4,327		166	4,493		
DALLAS,TX	RESEARCH AND EDUCATION	5,200	5,200			5,200		
HOUSTON,TX	RESEARCH AND EDUCATION	5,162	5,162			5,162		
JACKSON,MS	RESEARCH ADDITION	6,336	6,336			6,336		
LONG BEACH,CA	RESEARCH AND EDUCATION ADDITION	13,400	429	12,171		12,600	800	
MARTINEZ,CA	EDUCATION BLDG.	2,300		2,300		2,300		
MIAMI,FL	RESEARCH AND EDUCATION ADDITION	11,597	8,341		3,256	11,597		
NEW YORK,NY	RESEARCH ALTERATIONS	2,553	2,553			2,553		
SHREVEPORT,LA	RESEARCH AND EDUCATION	1,200	102			102		1,098
WOOD,WI	RENOVATE BLDG. NO. 70 ANIMAL QUARTERS	2,075	1,900		175	2,075		
SUBTOTAL (10)		54316	34350	14471	3597	52418	800	1098

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
RESEARCH AND EDUCATION										
CHICAGO(LAKESIDE),IL	RENOVA. TO MED. SCIENCE BLDG.	4,493	2,750	1,582	161			161		
DALLAS,TX	RESEARCH AND EDUCATION	5,200	4,965	138	97			97		
HOUSTON,TX	RESEARCH AND EDUCATION	5,162	4,954	74	134			134		
JACKSON,MS	RESEARCH ADDITION	6,336	6,076	10	250			250		
LONG BEACH,CA	RESEARCH AND EDUCATION ADDITION	13,400	336			12,446	618	93	12,264	618
MARTINEZ,CA	EDUCATION BLDG.	2,300			2,079	146	75		221	75
MIAMI,FL	RESEARCH AND EDUCATION ADDITION	11,597	495	11		10,179	912	11,091	11,091	912
NEW YORK,NY	RESEARCH ALTERATIONS	2,553	2,553							
SHREVEPORT,LA	RESEARCH AND EDUCATION	1,200	71				1,129	31	31	31
WOOD,WI	RENOVATE BLDG. NO. 70 ANIMAL QUARTERS	2,075			155	1,775	63	82	1,920	145	82
SUBTOTAL (10)		54316	22200	1970	4496	22834	2816	13777	23752	1718

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (A)-GENERAL PROJECTS								
ALBANY, NY	AIR OXYGEN VACUUM SYSTEM	2,135	209	3,291	-1,365	2,135		
ALBANY, NY	RADIATION THERAPY	2,312	2,312			2,312		
AMERICAN LAKE,WA	RENOVATE WARDS BLDG.7	1,726	2,031		-305	1,726		
ATLANTA,GA	WAREHOUSE ENGINEERING OFFICE	1,950	110			110	1,840	
AUGUSTA(LD),GA	DINING HALL KITCHEN AND SUBSISTENCE WAREHOUSE	3,175	3,175			3,175		
AUGUSTA(LD),GA	BOILER PLANT STEAM DISTRIBUTION SYSTEM	2,980	2,980			2,980		
BATTLE CREEK,MI	REPLACE ADMINISTRATION BUILDING	4,400	222			222		4,178
BILOXI(BD),MS	RENOVATE HOSP BLDG.NO.2 DAMAGED BY FIRE	5,000	6,000		-1,000	5,000		
BOISE,ID	RENOVATE WARDS 2 AND 4	2,361	2,163		198	2,361		
BROOKLYN,NY	AIR OXYGEN VACUUM SYSTEM	3,900	1,136			1,136	2,764	
CANANDAIGUA,NY	NEW ENGINEERING SHOPS AND OFFICE BUILDINGS	1,347	1,347			1,347		
CASTLE POINT,NY	RELOCATE AND REPLACE BOILER PLANT	2,800		2,800		2,800		
CHICAGO(LAKESIDE),IL	REMODEL SURGICAL AREA	2,014	2,014			2,014		
CINCINNATI(CD),OH	REMODEL AND EXPAND CANTEEN	1,161	1,161			1,161		
COLUMBIA,SC	RENOVATE BLDG.NO.22 ADMINISTRATION	2,111	2,111			2,111		
DAYTON,OH	CONSOLIDATE KITCHEN	1,829	126			126		1,703
DURHAM,NC	MULTI-STORY PARKING GARAGE	4,281	167			167		4,114
EAST ORANGE,NJ	IMPROVE AND CORRECT ENVIRONMENTAL DEFIC.	33,690	16,883	14,786		31,669	2,021	
FAYETTEVILLE,AK	RENOVATE BLDG.NO.4	1,606	1,606			1,606		

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (A)-GENERAL PROJECTS										
ALBANY, NY	AIR OXYGEN VACUUM SYSTE	2,135		172	1,871	66	26	37	92	26
ALBANY, NY	RADIATION THERAPY	2,312				2,163	149	2,312	2,312	149
AMERICAN LAKE,WA	RENOVATE WARDS BLDG.7	1,726	32	133	1,445	116		1,561	116	
ATLANTA,GA	WAREHOUSE ENGINEERING OFFICE	1,950	77			1,647	226	33	33	226
AUGUSTA(LD),GA	DINING HALL KITCHEN AND SUBSISTENCE WAREHOUSE	3,175	3,020	-6	112	49		161	49	
AUGUSTA(LD),GA	BOILER PLANT STEAM DISTRIBUTION SYSTEM	2,980	2,751	15	155	59		214	59	
BATTLE CREEK,MI	REPLACE ADMINISTRATION BUILDING	4,400	141				4,259	81	81	81
BILOXI(BC),MS	RENOVATE HOSP BLDG.NO.2 DAMAGED BY FIRE	5,000	273	4,359	368			368		
BOISE,ID	RENOVATE WARDS 2 AND 4	2,361		147	1,879	224	111	2,214	335	111
BROOKLYN,NY	AIR OXYGEN VACUUM SYSTE	3,900		48	193	3,217	442	1,088	895	442
CANANDAIGUA,NY	NEW ENGINEERING SHOPS A OFFICE BUILDINGS	1,347	1,338		9			9		
CASTLE POINT,NY	RELOCATE AND REPLACE BOILER PLANT	2,800			2,471	36	293		329	293
CHICAGO(LAKESIDE),IL	REMODEL SURGICAL AREA	2,014	1,937	9	68			68		
CINCINNATI(CC),OH	REMODEL AND EXPAND CANTEEN	1,161		24	77	883	177	1,137	1,060	177
COLUMBIA,SC	RENOVATE BLDG.NO.22 ADMINISTRATION	2,111		104	1,431	328	248	2,007	576	248
DAYTON,OH	CONSOLIDATE KITCHEN	1,829	17				1,812	109	109	109
DURHAM,NC	MULTI-STORY PARKING GARAGE	4,281	158				4,123	9	9	9
EAST ORANGE,NJ	IMPROVE AND CORRECT ENVIRONMENTAL DEFIC.	33,690	1,188	61	1,188	30,153	1,100	15,634	29,232	1,100
FAYETTEVILLE,AK	RENOVATE BLDG.NO.4	1,606	18	73	1,225	101	189	1,515	290	189

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (A)-GENERAL PROJECTS								
HINES(OPC),IL	SUPPLY DEPO EXPANSION BLDG.NO.37	9,000					9,000	
HINES(VAH),IL	NEW CENTRAL INCINERATOR	2,034	1,300	734		2,034		
HUNTINGTON,WV	ADDITION BLDG NO.1	7,097	7,097			7,097		
IOWA CITY,IA	PARKING FACILITY	2,757	108			108		2,649
IOWA CITY,IA	REPLACE BOILER PLANT	2,288	2,288			2,288		
IOWA CITY,IA	REMODEL 9TH FLOOR WARDS	1,352	1,352			1,352		
KANSAS CITY,MO	AIR,OXYGEN,VACUUM SYSTEM	797	134	1,716	-1,053	797		
LEAVENWORTH,KS	NEW LAUNDRY BLDG.	3,797	3,797			3,797		
LIVERMORE,CA	REMODEL 5TH FLOOR WARDS BLDG.NO.62	1,864	1,761		103	1,864		
LIVERMORE,CA	SEWER CONNECTION	1,220	1,220			1,220		
LOS ANGELES(BW),CA	REMODEL BLDG. 209	2,614	2,614			2,614		
LOUISVILLE,KY	MED GAS,NURSE CALL SYS PATIENT PRIVACY	3,700					3,700	
MIAMI,FL	RELOCATE SURGICAL ICU	1,726	1,726			1,726		
MINNEAPOLIS,MN	BOILERS	5,307	5,307			5,307		
MURFREESBORO,TN	REMODEL WARDS 5A AND 5B	1,682	3,248		-1,566	1,682		
MURFREESBORO,TN	RENOVATE WARDS 6A AND 6B	3,750	3,750			3,750		
PERRY POINT,MD	NEW CLINICAL ADMINISTRATION BLDG.	1,636	1,636			1,636		
PERRY POINT,MD	SEWER PLANT UPGRADING	1,141	1,141			1,141		
RENO,NV	NEW LAUNDRY	2,420		2,420		2,420		
SALEM,VA	MODERNIZE BLDG NO.76 INTERMEDIATE CARE	4,100	390			390		3,710
SALEM,VA	RENOVATE BLDG NO 77	1,383	1,383			1,383		
SALEM,VA	RENOVATION OF BUILDING 7	4,038	129			129		3,909

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	OBLIGATIONS ACTUAL FOR 1980	OBLIGATIONS ESTIMATED FOR 1981	OBLIGATIONS ESTIMATED FOR 1982	OBLIGATIONS ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (A)-GENERAL PROJECTS										
HINES(DPC),IL	SUPPLY DEPO EXPANSION BULDG.NO.37	9,000				597	8,403			8,403
HINES(WAH),IL	NEW CENTRAL INCINERATOR	2,034				176	1,858	1,300	2,034	1,858
HUNTINGTON,WV	ADDITION BLDG NO.1	7,097	6,595	133	339	30		369	30	
IOWA CITY,IA	PARKING FACILITY	2,757	102				2,655	6	6	6
IOWA CITY,IA	REPLACE BOILER PLANT	2,288	2,270	-1	19			19		
IOWA CITY,IA	REMODEL 9TH FLOOR WARDS	1,352		84	1,223	45		1,268	45	
KANSAS CITY,MO	AIR,OXYGEN,VACUUM SYSTEM	797	95	6	595	89	12	33	101	12
LEAVENWORTH,KS	NEW LAUNDRY BLDG.	3,797	3,749	35	13			13		
LIVERMORE,CA	REMODEL 5TH FLOOR WARDS BLDG.NO.62	1,864	46	111	1,578	97	32	1,707	129	32
LIVERMORE,CA	SEWER CONNECTION	1,220		500		720		720	720	
LOS ANGELES(BH),CA	REMODEL BLDG. 209	2,614	57	196	2,215	51	95	2,361	146	95
LOUISVILLE,KY	MED GAS,NURSE CALL SYS PATIENT PRIVACY	3,700				245	3,455			3,455
MIAMI,FL	RELOCATE SURGICAL ICU	1,726		84	1,433	109	100	1,642	209	100
MINNEAPOLIS,MN	BOILERS	5,307			325		4,982	5,307	4,982	4,982
MURFREESBORO,TN	REMODEL WARDS 5A AND 5B	1,682	34	1,496	46	67	39	152	106	39
MURFREESBORO,TN	RENOVATE WARDS 6A AND 6	3,750		174	2,642	678	256	3,576	934	256
PERRY POINT,MD	NEW CLINICAL ADMINISTRATION BLDG.	1,636	4	2	1,583	47		1,630	47	
PERRY POINT,MD	SEWER PLANT UPGRADING	1,141		1,105		36		36	36	
RENO,NV	NEW LAUNDRY	2,420			2,124	261	35		296	35
SALEM,VA	MODERNIZE BLDG NO.76 INTERMEDIATE CARE	4,100	183				3,917	207	207	207
SALEM,VA	RENOVATE BLDG NO 77	1,383	1,282	70	31			31		
SALEM,VA	RENOVATION OF BUILDING	4,038		56	73		3,909	73		

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CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (A)-GENERAL PROJECTS								
SIOUX FALLS,SD	BOILERS	2,361	2,361			2,361		
ST.ALBANS(DIV),NY	LAUNDRY CONSOLIDATION	13,400	2,727			2,727	10,673	
ST.LOUIS(JB),MO	RELOCATE ADMIN TO BLDG.NO.18	1,462	1,462			1,462		
SYRACUSE,NY	MULTI-STORY PARKING GARAGE	2,978	153			153		2,825
TOGUS,ME	RENOVATE BLDG.NO.207 1ST AND 3RD FLOOR	5,100		5,100		5,100		
WACO,TX	REPLACE BOILER PLANT	1,568	1,568			1,568		
WOOD,WI	8INCH HOT WATER LINE	1,220	1,334		-114	1,220		
SUBTOTAL (48)		174570	95739	30847	-5102	121484	29998	23088

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	OBLIGATIONS ACTUAL FOR 1980	OBLIGATIONS ESTIMATED FOR 1981	OBLIGATIONS ESTIMATED FOR 1982	OBLIGATIONS ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (A)-GENERAL PROJECTS										
SIOUX FALLS,SD	BOILERS	2,361	2,166	43	48	53	51	152	104	51
ST.ALBANS(DIV),NY	LAUNDRY CONSOLIDATION	13,400	242			11,829	1,329	2,485	2,485	1,329
ST.LOUIS(JB),MO	RELOCATE ADMIN TO BLDG.NO.18	1,462		81	1,257	61	63	1,381	124	63
SYRACUSE,NY	MULTI-STORY PARKING GARAGE	2,978	124				2,854	29	29	29
TOGUS,ME	RENOVATE BLDG.NO.207 1ST AND 3RD FLOOR	5,100			317	4,430	353		4,783	353
WACO,TX	REPLACE BOILER PLANT	1,568	1,531	-1	33	5		38	5	
WOOD,WI	8INCH HOT WATER LINE	1,220		1,042	65	33	80	178	113	80
SUBTOTAL (48)		174570	29430	10355	28451	58701	47633	53270	53248	24545

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CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND DF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	APPROPRIATION PLAN: NET 1981 APPRO	APPROPRIATION PLAN: ADJUSTMENTS	APPROPRIATION PLAN: TOTAL AVAIL THRU 1981	APPROPRIATION PLAN: REQUIRED FOR 1982	APPROPRIATION PLAN: FOR FUTURE CONSIDERATION
OTHER IMPR (C)-CLINICAL IMPROVEMENTS								
ALLEN PARK,MI	EXPAND/RENOVATE LAB	1,416	1,416			1,416		
BAY PINES,FL	CLINICAL IMPROVEMENTS	2,228	2,242		-14	2,228		
BILOXI(BC),MS	CL ADDITION AND C/P	20,750		20,750		20,750		
BIRMINGHAM,AL	BLIND REHABILITATION FACILITY	4,771	4,714		57	4,771		
BUFFALO,NY	RENOVATE SPD	2,800	1,456	1,344		2,800		
CHICAGO(LAKESIDE),IL	RENOVATE LAB	1,126	1,126			1,126		
CINCINNATI(CO),OH	CL EXPANSION AND CCL TWO ADDN ELEVATORS	11,520	4,342	7,178		11,520		
DANVILLE,IL	RELOC/EXPAND PAD	6,400					6,400	
DAYTON,OH	CLINICAL ADDITION	10,380	10,380			10,380		
FAYETTEVILLE,AK	CLINICAL ADDITION	4,500		4,500		4,500		
GAINESVILLE,FL	CORRECT CLINICAL DEFICIENCIES	5,795	5,795			5,795		
GAINESVILLE,FL	CLIN IMPROV RESEARCH AND EDUCATION PH II	19,596	19,596			19,596		
HAMPTON,VA	SPINAL CORD INJURY UNIT	5,150		5,150		5,150		
HUNTINGTON,WV	CLINICAL IMPROVEMENTS	1,550	1,550			1,550		
INDIANAPOLIS(TSD),IN	CLINICAL IMPROVEMENTS EDUCATION BLDG.	10,848	10,848			10,848		
LAKE CITY,FL	RENOVATE SPD	1,201	1,100		101	1,201		
LONG BEACH,CA	ADDITION AND RENOVATION FOR SPD	2,550		2,550		2,550		
LOUISVILLE,KY	RENOVATE OPERATING ROOMS	1,819	1,693		126	1,819		
MEMPHIS,TN	120-BED SPINAL CORD INJURY AND R+E	34,000					34,000	
MOUNTAIN HOME,TN	CLINICAL SUPPORT BLDG	13,022	10,269		2,753	13,022		
MUSKOGEE,OK	RELOCATE AND EXPAND REHABILIATION MED SVC	993	993			993		

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND DF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	1981	1982
OTHER IMPR (C)-CLINICAL IMPROVEMENTS										
ALLEN PARK,MI	EXPAND/RENOVATE LAB	1,416	23	62	1,285	45	1	1,331	46	1
BAY PINES,FL	CLINICAL IMPROVEMENTS	2,228	2,228							
BILOXI(BC),MS	CL ADDITION AND O/P	20,750			1,116	18,344	1,290		19,634	1,290
BIRMINGHAM,AL	BLIND REHABILITATION FACILITY	4,771	272	4,248	60	114	77	251	191	77
BUFFALO,NY	RENOVATE SPD	2,800		156		2,461	183	1,300	2,644	183
CHICAGO(LAKESIDE),IL	RENOVATE LAB	1,126					1,126	1,126	1,126	1,126
CINCINNATI(CO),OH	CL EXPANSION AND CCL TWO ADDN ELEVATORS	11,520	57	533	9,691	340	899	3,752	1,239	899
DANVILLE,IL	RELOC/EXPAND PAD	6,400				424	5,976			5,976
DAYTON,OH	CLINICAL ADDITION	10,380	9,629	98	372	281		653	281	
FAYETTEVILLE,AK	CLINICAL ADDITION	4,500			280	3,942	278		4,220	278
GAINESVILLE,FL	CORRECT CLINICAL DEFICIENCIES	5,795	5,660		135			135		
GAINESVILLE,FL	CLIN IMPROV RESEARCH AND EDUCATION PH II	19,596	338	592	16,209	785	1,672	18,666	2,457	1,672
HAMPTON,VA	SPINAL CORD INJURY UNIT	5,150				4,829	321		5,150	321
HUNTINGTON,WV	CLINICAL IMPROVEMENTS	1,550	1,482	9	59			59		
INDIANAPOLIS(TSO),IN	CLINICAL IMPROVEMENTS EDUCATION BLDG.	10,848	9,995	284	336	233		569	233	
LAKE CITY,FL	RENOVATE SPD	1,201			1,049	135	17	1,201	152	17
LONG BEACH,CA	ADDITION AND RENOVATION FOR SPD	2,550			148	2,214	188		2,402	188
LOUISVILLE,KY	RENOVATE OPERATING ROOMS	1,819	97	1,595	40	47	40	127	87	40
MEMPHIS,TN	120-BED SPINAL CORD INJURY AND R+E	34,000				2,253	31,747			31,747
MOUNTAIN HOME,TN	CLINICAL SUPPORT BLDG	13,022	484	33	10,994	373	1,138	12,505	1,511	1,138
MUSKOGEE,OK	RELOCATE AND EXPAND REHABILIATION MED SVC	993	879	47	40	27		67	27	

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND DF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (C)-CLINICAL IMPROVEMENTS								
PALO ALTO(PAD),CA	SURGICAL ADDITION PAC	16,043	16,043			16,043		
PHILADELPHIA,PA	CLINICAL IMPROVEMENTS	1,993	1,993			1,993		
RENO,NV	CLINICAL ADDN UTILITIES IMPROV BOILER PLANT	13,444	13,444			13,444		
SALEM,VA	NEW CLINICAL BLDG	2,961	2,961			2,961		
SAN DIEGO,CA	CLINICAL IMPROVEMENTS	2,380	2,380			2,380		
ST.LOUIS(JCO),MO	CLINICAL ADDITION NEW AMB CARE BLDG AND WARD RENOVA	45,500	2,079			2,079	43,421	
TEMPLE,TX	CL EXPANSION RELOCATE SUPPORT FUNCT	27,600		27,600		27,600		
TUCSON,AZ	CLINICAL ADDITION	20,850		20,850		20,850		
WHITE CITY,OR	RENOVATE CONSOL REHAB MED SVC	1,723	1,723			1,723		
WHITE RIVER JUNCTION,VT	CLINICAL IMPROVEMENTS	3,123	3,123			3,123		
WOOD,WI	RELOCATE NUCLEAR MED	1,700	128			128	1,572	
SUBTOTAL (32)		299732	121394	89922	3023	214339	85393	

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (C)-CLINICAL IMPROVEMENTS										
PALO ALTO(PAC),CA	SURGICAL ADDITION PAD	16,043		877	14,043	275	848	15,166	1,123	848
PHILADELPHIA,PA	CLINICAL IMPROVEMENTS	1,993				172	1,821	1,993	1,993	1,821
RENO,NV	CLINICAL ADDN UTILITIES IMPROV BOILER PLANT	13,444	13,832	173	239			239		
SALEM,VA	NEW CLINICAL BLDG	2,961	2,830	1	130			130		
SAN DIEGO,CA	CLINICAL IMPROVEMENTS	2,380	2,313		67			67		
ST.LOUIS(JCO),MO	CLINICAL ADDITION NEW A CARE BLDG AND WARD RENO	45,500		25		3,016	42,459	2,054	2,054	42,459
TEMPLE,TX	CL EXPANSION RELOCATE SUPPORT FUNCT	27,600			1,129	24,498	1,973		26,471	1,973
TUCSON,AZ	CLINICAL ADDITION	20,850			762	18,756	1,332		20,088	1,332
WHITE CITY,OR	RENOVATE CONSOL REHAB MED SVC	1,723		26	114	1,493	90	1,697	1,583	90
WHITE RIVER JUNCTION,VT	CLINICAL IMPROVEMENTS	3,123	3,079	41	3			3		
WOOD,WI	RELOCATE NUCLEAR MED	1,700	88	1		1,517	94	39	39	94
SUBTOTAL (32)		299732	52486	8831	58301	86574	93570	63130	94751	93570

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (D)-AIR CONDITIONING SYSTEMS								
AMARILLO,TX	A/C PATIENT PRIVACY NURSE CALL SYSTEM	6,139		6,139		6,139		
AUGUSTA(LD),GA	AIR CONDITIONING	3,832	3,959		-127	3,832		
CASTLE POINT,NY	CENTRAL A/C AND UPGRADE PRI DISTR SYS	8,665	8,665			8,665		
COATESVILLE,PA	AIR CONDITION AND WARD ADDITION	16,043	16,040		3	16,043		
FAYETTEVILLE,AK	AIR CONDITIONING	3,183	3,183			3,183		
INDIANAPOLIS(CSR),IN	AIR CONDITIONING	4,143	4,143			4,143		
INDIANAPOLIS(TSD),IN	AIR CONDITIONING	6,336	6,336			6,336		
IOWA CITY,IA	A/C SYSTEM AND ADDITIONAL ELECTRIC POWER	5,317	5,317			5,317		
KERRVILLE,TX	AIR CONDITIONING	2,880	2,880			2,880		
KNOXVILLE,IA	A/C AND WARD RENOVATION	11,176	11,277		-101	11,176		
LEBANON,PA	AIR CONDITIONING	8,065	8,065			8,065		
LEXINGTON,KY	AIR CONDITIONING	7,580	7,580			7,580		
LINCOLN,NB	AIR CONDITIONING	3,600	3,600			3,600		
MOUNTAIN HOME,TN	AIR CONDITIONING	1,542	1,637		-95	1,542		
PERRY POINT,MD	AIR CONDITIONING	9,618	9,618			9,618		
POPLAR BLUFF,MO	AIR CONDITIONING	4,450	4,450			4,450		
SALEM,VA	AIR CONDITIONING	5,857	5,857			5,857		
SEPULVEDA,CA	AIR CONDITIONING	12,878	12,878			12,878		
TUCSON,AZ	AIR CONDITIONING	4,832	4,871		-39	4,832		
SUBTOTAL (19)		126136	120356	6139	-359	126136		

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CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (D)-AIR CONDITIONING SYSTEMS										
AMARILLO,TX	A/C PATIENT PRIVACY NURSE CALL SYSTEM	6,139			356	5,411	372		5,783	372
AUGUSTA(LD),GA	AIR CONDITIONING	3,832	3,832							
CASTLE POINT,NY	CENTRAL A/C AND UPGRADE PRI DISTR S	8,665	695	7,221	422	327		749	327	
COATESVILLE,PA	AIR CONDITION AND HARD ADDITION	16,043	14,647	132	793	471		1,264	471	
FAYETTEVILLE,AK	AIR CONDITIONING	3,183	2,854	126	140	63		203	63	
INDIANAPOLIS(CSR),IN	AIR CONDITIONING	4,143	3,951	7	185			185		
INDIANAPOLIS(TSD),IN	AIR CONDITIONING	6,336	6,188	17	131			131		
IOWA CITY,IA	A/C SYSTEM AND ADDITION ELECTRIC POWER	5,317	5,237	17	63			63		
KERRVILLE,TX	AIR CONDITIONING	2,880	2,801		79			79		
KNOXVILLE,IA	A/C AND HARD RENOVATION	11,176	9,731	124	1,066	253	2	1,321	255	2
LEBANON,PA	AIR CONDITIONING	8,065	7,735	96	224	10		234	10	
LEXINGTON,KY	AIR CONDITIONING	7,580	7,494	42	44			44		
LINCOLN,NB	AIR CONDITIONING	3,600	3,582	1	17			17		
MOUNTAIN HOME,TN	AIR CONDITIONING	1,542	1,542							
PERRY POINT,MD	AIR CONDITIONING	9,618	9,029	133	451	5		456	5	
POPLAR BLUFF,MO	AIR CONDITIONING	4,450	4,337	2	111			111		
SALEM,VA	AIR CONDITIONING	5,857	5,645	4	208			208		
SEPULVEDA,CA	AIR CONDITIONING	12,878	12,869	3	6			6		
TUCSON,AZ	AIR CONDITIONING	4,832	4,830	2						
SUBTOTAL (19)		126136	106999	7927	4296	6540	374	5071	6914	374

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND DF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (E)-CORRECTION OF SEISMIC DEF								
BOISE,ID	SEISMIC CORRECTION FOR VARIOUS BLDGS	2,407	2,407			2,407		
CHARLESTON,SC	CORRECTION OF SEISMIC DEFICIENCIES	10,254	11,424		-1,170	10,254		
FRESNO,CA	CORRECT SEISMIC DEF	4,600	1,803	1,147		2,950	1,650	
LIVERMORE,CA	ADDITION TO BLDG NO.62	1,970	1,982		-12	1,970		
PALO ALTO(PAD),CA	CORRECTION OF SEISMIC (CENTER CORE BLDG.)	30,200		3,015		3,015	27,185	
PALO ALTO(PAD),CA	LOW VISION REHAB CTR	2,478	2,478			2,478		
POPLAR BLUFF,MO	CORRECTION OF SEISMIC DEFICIENCIES	10,550	190	10,360		10,550		
SALT LAKE CITY,UT	SEISMIC CORRECTION BLDGS 1 THRU 5	6,414	6,414			6,414		
SALT LAKE CITY,UT	SEISMIC CORRECTION BLDGS. 6-10,13,27 AND 28	2,370	2,370			2,370		
VARIOUS STATIONS	FY74 PROGRAM BALANCE	79	66		13	79		
SUBTOTAL (10)		71322	29134	14522	-1169	42487	28835	

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	1981	1982
OTHER IMPR (E)-CORRECTION OF SEISMIC DEF										
BOISE,ID	SEISMIC CORRECTION FOR VARIOUS BLDGS	2,407	2,407							
CHARLESTON,SC	CORRECTION OF SEISMIC DEFICIENCIES	10,254	440	8,671	351	515	277	1,143	792	277
FRESNO,CA	CORRECT SEISMIC DEF	4,600	195	6		4,030	369	1,602	2,749	369
LIVERMORE,CA	ADDITION TO BLDG NO.62	1,970	1,972	-2						
PALO ALTO(PAC),CA	CORRECTION OF SEISMIC (CENTER CORE BLDG.)	30,200			1,235	27,310	1,655		1,780	1,655
PALO ALTO(PAC),CA	LOW VISION REHAB CTR	2,478	2,467		11			11		
POPLAR BLUFF,MO	CORRECTION OF SEISMIC DEFICIENCIES	10,550	37		432	9,352	729	153	10,081	729
SALT LAKE CITY,UT	SEISMIC CORRECTION BLDGS 1 THRU 5	6,414	6,206	107	101			101		
SALT LAKE CITY,UT	SEISMIC CORRECTION BLDGS. 6-10,13,27 AND 2	2,370	2,321	-14	63			63		
VARIOUS STATIONS	FY74 PROGRAM BALANCE	79			77	2		79	2	
SUBTOTAL (10)		71322	16045	8768	2270	41209	3030	3152	15404	3030

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (F)-CORR OF ELECTRICAL DEF								
ALBANY, NY	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	880	880			880		
ALBANY, NY	UPDATE PRIMARY DISTR PH III	2,039	2,039			2,039		
ALEXANDRIA,LA	EMERGENCY GENERATOR	992	992			992		
BATAVIA,NY	ELECTRICAL DEFICIENCIES	1,048	1,048			1,048		
BATTLE CREEK,MI	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	935	935			935		
BEDFORD,MA	EMERGENCY GENERATOR	907	907			907		
BILOXI(BDI),MS	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	866	866			866		
BOSTON,MA	SECONDARY GEN AND UPDATE INTERIOR WIRING	2,762		2,550	212	2,762		
BROCKTON,MA	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	1,081	1,000		81	1,081		
BUFFALO,NY	SECONDARY GENERATOR SYSTEM	669	1,380		-711	669		
CHEYENNE,WY	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	1,100	1,100			1,100		
CHICAGO(LAKESIDE),IL	CORRECTION OF ELECTRICAL DEFICIENCIES	2,370	1,245		1,125	2,370		
CHILLICOTHE,OH	EMERGENCY POWER DISTRIBUTION	559	559			559		
DURHAM,NC	CORRECTION OF ELECTRICAL DEFICIENCIES	1,401	1,401			1,401		
EAST ORANGE,NJ	EMERGENCY GENERATOR	2,204	2,204			2,204		
FORT HARRISON,MT	ELECTRICAL DEFICIENCIES	1,112	1,112			1,112		
GRAND ISLAND,NB	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	1,214	1,214			1,214		
GRAND JUNCTION,CO	ELECTRICAL DEFICIENCIES	850	850			850		

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND DF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	1981	1982
OTHER IMPR (F)-CORR OF ELECTRICAL DEF										
ALBANY, NY	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	880	726	37	99	18		117	18	
ALBANY, NY	UPDATE PRIMARY DISTR PH III	2,039		105	1,692	108	134	1,934	242	134
ALEXANDRIA,LA	EMERGENCY GENERATOR	992	916	14	62			62		
BATAVIA,NY	ELECTRICAL DEFICIENCIES	1,048	968	37	20	23		43	23	
BATTLE CREEK,MI	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	935	829	13	49	44		93	44	
BEDFORD,MA	EMERGENCY GENERATOR	907	829	7	46	25		71	25	
BILOXI(BD),MS	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	866	797	18	51			51		
BOSTON,MA	SECONDARY GEN AND UPDAT INTERIOR WIRING	2,762			2,292	78	392	212	470	392
BROCKTON,MA	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	1,081	65	936	56	24		80	24	
BUFFALO,NY	SECONDARY GENERATOR SYSTEM	669	71	556	20	18	4	42	22	4
CHEYENNE,WY	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	1,100	998	17	57	28		85	28	
CHICAGO(LAKESIDE),IL	CORRECTION OF ELECTRICA DEFICIENCIES	2,370	161	1,187	434	527	61	1,322	588	61
CHILLICOTHE,OH	EMERGENCY POWER DISTRIBUTION	559	524	-5	40			40		
DURHAM,NC	CORRECTION OF ELECTRICA DEFICIENCIES	1,401	1,307	24	70			70		
EAST ORANGE,NJ	EMERGENCY GENERATOR	2,204	2,042	59	103			103		
FORT HARRISON,MT	ELECTRICAL DEFICIENCIES	1,112	1,060	5	21	26		47	26	
GRAND ISLAND,NB	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	1,214	1,118	2	43	31	20	94	51	20
GRAND JUNCTION,CO	ELECTRICAL DEFICIENCIES	850	714	85	32	19		51	19	

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (F)-CORR OF ELECTRICAL DEF								
HINES(VAH),IL	CORRECTION OF ELECTRICAL DEFICIENCIES	1,650	1,650			1,650		
HOUSTON,TX	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	2,800	2,800			2,800		
INDIANAPOLIS(TSO),IN	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	1,400	1,400			1,400		
KNOXVILLE,IA	EMERGENCY POWER AND ELECTRICAL DEFICIENCIES	1,398	1,398			1,398		
LEBANON,PA	EMERGENCY GENERATOR	1,100	1,100			1,100		
LONG BEACH,CA	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	1,510	1,510			1,510		
LYONS,NJ	EMERGENCY GENERATOR	1,096	1,096			1,096		
MADISON,WI	SECONDARY EMERGENCY DISTRIBUTION GENERATOR	1,785	1,785			1,785		
MARION,IN	CORRECTION OF ELECTRICAL DEFICIENCIES	1,641	1,641			1,641		
MONTGOMERY,AL	UPGRADE ELECTRICAL SYSTEM	830	830			830		
MUSKOGEE,OK	UPGRADE ELECTRICAL SYSTEM	890	864		26	890		
NEW YORK,NY	CORRECTION OF ELECTRICAL DEFICIENCIES	1,896	1,896			1,896		
NORTH CHICAGO(DOWNEY),IL	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	2,962	2,962			2,962		
PALO ALTO(MPD),CA	EMERGENCY GENERATOR AND UPDATE POWER SYSTEM	1,696	1,696			1,696		
PALO ALTO(PAD),CA	UPDATE ELECTRICAL POWER SYSTEM	1,208	1,208			1,208		
PERRY POINT,MD	CORRECTION OF ELECTRICAL DEFICIENCIES	1,661	1,661			1,661		
POPLAR BLUFF,MO	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	940	940			940		

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	OBLIGATIONS ACTUAL FOR 1980	OBLIGATIONS ESTIMATED FOR 1981	OBLIGATIONS ESTIMATED FOR 1982	OBLIGATIONS ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (F)-CORR OF ELECTRICAL DEF										
HINES(VAH),IL	CORRECTION OF ELECTRICA DEFICIENCIES	1,650	1,551	-1	100			100		
HOUSTON,TX	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	2,800	162			2,400	238	2,638	2,638	238
INDIANAPOLIS(TSC),IN	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	1,400	1,360	10	30			30		
KNOXVILLE,IA	EMERGENCY POWER AND ELECTRICAL DEFICIENCIES	1,398	1,295	11	49	39	4	92	43	4
LEBANON,PA	EMERGENCY GENERATOR	1,100	1,028	5	35	28	4	67	32	4
LONG BEACH,CA	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	1,510	1,155	312	29	14		43	14	
LYONS,NJ	EMERGENCY GENERATOR	1,096	1,022	1	40	33		73	33	
MADISON,WI	SECONDARY EMERGENCY DISTRIBUTION GENERATOR	1,785	21	1,117	343	297	7	647	304	7
MARION,IN	CORRECTION OF ELECTRICA DEFICIENCIES	1,641	1,611	17	13			13		
MONTGOMERY,AL	UPGRADE ELECTRICAL SYST	830	765	64	1			1		
MUSKOGEE,OK	UPGRADE ELECTRICAL SYST	890	783	37	66	4		70	4	
NEW YORK,NY	CORRECTION OF ELECTRICA DEFICIENCIES	1,896	1,857	7	32			32		
NORTH CHICAGO(DOWNEY),I	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	2,962	2,793	25	79	65		144	65	
PALO ALTO(MPC),CA	EMERGENCY GENERATOR AND UPDATE POWER SYSTEM	1,696	1,492	133	40	31		71	31	
PALO ALTO(PAC),CA	UPDATE ELECTRICAL POWER SYSTEM	1,208	1,071	68	33	34	2	69	36	2
PERRY POINT,MD	CORRECTION OF ELECTRICA DEFICIENCIES	1,661	1,578	26	57			57		
POPLAR BLUFF,MO	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	940	870	25	27	18		45	18	

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (F)-CORR OF ELECTRICAL DEF								
ROSEBURG,OR	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	1,090	1,090			1,090		
SALEM,VA	EMERGENCY ELECTRICAL POWER SYSTEM	1,684	1,684			1,684		
ST.ALBANS(DIV),NY	PRIMARY DISTRIBUTION AND SECONDARY GENERATOR	1,962	1,962			1,962		
SYRACUSE,NY	CORRECTION OF ELECTRICAL DEFICIENCIES	1,288	1,288			1,288		
TOMAH,WI	CORRECTION OF ELECTRICAL DEFICIENCIES	2,144	2,144			2,144		
TUSKEGEE,AL	ELECTRICAL	2,224	2,224			2,224		
WACO,TX	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	747	747			747		
WALLA WALLA,WA	PRIMARY DISTRIBUTION AND SECONDARY GENERATOR SYS	557	1,140		-583	557		
WOOD,WI	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	1,400	1,400			1,400		
SUBTOTAL (44)		62548	59848	2550	150	62548		

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	1981	1982
OTHER IMPR (F)-CORR OF ELECTRICAL DEF										
ROSEBURG,OR	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	1,090	1,055	21	14			14		
SALEM,VA	EMERGENCY ELECTRICAL POWER SYSTEM	1,684	1,536	7	73	60	8	141	68	8
ST.ALBANS(DIV),NY	PRIMARY DISTRIBUTION AN SECONDARY GENERATOR	1,962	143	7	1,673	104	35	1,812	139	35
SYRACUSE,NY	CORRECTION OF ELECTRICA DEFICIENCIES	1,288	1,164	-29	126	27		153	27	
TOMAH,WI	CORRECTION OF ELECTRICA DEFICIENCIES	2,144	1,999	-28	173			173		
TUSKEGEE,AL	ELECTRICAL	2,224		91	1,824	231	78	2,133	309	78
WACO,TX	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	747	687	3	28	26	3	57	29	3
WALLA WALLA,WA	PRIMARY DISTRIBUTION AN SECONDARY GENERATOR SYS	557	66	420	57	14		71	14	
WOOD,WI	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	1,400	1,322		50	28		78	28	
SUBTOTAL (44)		62548	41511	5446	10179	4422	990	13041	5412	990

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (G)-ELIM OF SAFETY HAZARDS								
AUGUSTA,GA	SAFETY AND FIRE DEFICIENCIES	1,309	1,309			1,309		
BATTLE CREEK,MI	SAFETY AND FIRE DEFICIENCIES	1,347	1,347			1,347		
BEDFORD,MA	SMOKE PARTITIONS AND BARRIER DOORS	1,075	1,075			1,075		
BIRMINGHAM,AL	SAFETY AND FIRE DEFICIENCIES	2,016	2,016			2,016		
CANANDAIGUA,NY	SAFETY AND FIRE DEFIC AND RENOVATE PATIENT BLDG.	8,648	10,426		-1,778	8,648		
CHILLICOTHE,OH	ELIMINATE EXIT DEFIC.	1,856	1,856			1,856		
CINCINNATI,OH	SAFETY AND FIRE DEFICIENCIES	1,288	1,288			1,288		
DALLAS,TX	FIRE SPRINKLER BLDG NO.1	679	1,186		-507	679		
IOWA CITY,IA	ELIMINATE FIRE AND SAFETY DEFICIENCIES	2,700		2,700		2,700		
KANSAS CITY,MO	SAFETY AND FIRE DEFICIENCIES	1,518	1,518			1,518		
KNOXVILLE,IA	SAFETY AND FIRE DEFICIENCIES	1,245	1,245			1,245		
LEBANON,PA	SAFETY AND FIRE DEFICIENCIES	1,053	1,574		-521	1,053		
MINNEAPOLIS,MN	SAFETY AND FIRE DEFICIENCIES	1,761	1,761			1,761		
MONTGOMERY,AL	SMOKE PARTITIONS	1,239	1,239			1,239		
MURFREESBORO,TN	SAFETY AND FIRE DEFICIENCIES	3,168	3,168			3,168		
MUSKOGEE,OK	SAFETY AND FIRE DEFICIENCIES	633	1,693		-1,060	633		

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	1981	1982
OTHER INPR (G)-ELIM OF SAFETY HAZARDS										
AUGUSTA,GA	SAFETY AND FIRE DEFICIENCIES	1,309	20	75	1,064	124	26	1,214	150	26
BATTLE CREEK,MI	SAFETY AND FIRE DEFICIENCIES	1,347	25	68	1,210	5	39	1,254	44	39
BEDFORD,MA	SMOKE PARTITIONS AND BARRIER DOORS	1,075			80	786	209	1,075	995	209
BIRMINGHAM,AL	SAFETY AND FIRE DEFICIENCIES	2,016	94			1,743	179	1,922	1,922	179
CANANDAIGUA,NY	SAFETY AND FIRE DEFIC & RENOVATE PATIENT BLDG.	8,648	543	7,472	126	361	146	633	507	146
CHILLICOTHE,OH	ELIMINATE EXIT DEFIC.	1,856			378	1,374	104	1,856	1,478	104
CINCINNATI,OH	SAFETY AND FIRE DEFICIENCIES	1,288		63	1,122	84	19	1,225	103	19
DALLAS,TX	FIRE SPRINKLER BLDG NO.1	679		153	521	5		526	5	
IOWA CITY,IA	ELIMINATE FIRE AND SAFETY DEFICIENCIES	2,700			179	2,349	172		2,521	172
KANSAS CITY,MO	SAFETY AND FIRE DEFICIENCIES	1,518	1,449	4	65			65		
KNOXVILLE,IA	SAFETY AND FIRE DEFICIENCIES	1,245		109	1,083	53		1,136	53	
LEBANON,PA	SAFETY AND FIRE DEFICIENCIES	1,053	127	55	400	447	24	871	471	24
MINNEAPOLIS,MN	SAFETY AND FIRE DEFICIENCIES	1,761	65			117	1,579	1,696	1,696	1,579
MONTGOMERY,AL	SMOKE PARTITIONS	1,239			1,152	6	81	1,239	87	81
MURFREESBORO,TN	SAFETY AND FIRE DEFICIENCIES	3,168	33	108	2,432	413	182	3,027	595	182
MUSKOGEE,OK	SAFETY AND FIRE DEFICIENCIES	633	420	203	10			10		

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CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	APPROPRIATION PLAN: NET 1981 APPRO	APPROPRIATION PLAN: ADJUSTMENTS	APPROPRIATION PLAN: TOTAL AVAIL THRU 1981	APPROPRIATION PLAN: REQUIRED FOR 1982	APPROPRIATION PLAN: FOR FUTURE CONSIDERATION
OTHER IMPR (G)-ELIM OF SAFETY HAZARDS								
NEW YORK,NY	SAFETY AND FIRE DEFICIENCIES	5,280	5,878		-598	5,280		
NORTH CHICAGO(DOWNEY),IL	SAFETY AND FIRE DEFICIENCIES	3,626	3,626			3,626		
NORTH CHICAGO(DOWNEY),IL	REPLACE AND UPGRADE FIRE ALARM SYSTEM	1,355	1,355			1,355		
NORTHPORT,NY	SAFETY AND FIRE DEFICIENCIES	3,900	1,366	2,534		3,900		
PALO ALTO(PAO),CA	SAFETY AND FIRE DEFICIENCIES	4,000		4,000		4,000		
PITTSBURGH(UD),PA	SAFETY AND FIRE DEFICIENCIES	8,400		8,400		8,400		
SALEM,VA	SAFETY AND FIRE DEFICIENCIES	4,502	4,502			4,502		
SALISBURY,NC	SAFETY AND FIRE DEFICIENCIES	1,492	1,492			1,492		
SAN ANTONIO,TX	SPRINKLER HOSPITAL AND CORRECT SAFETY/FIRE DEFIC	5,700					5,700	
SEPULVEDA,CA	ELIMINATE FIRE AND SAFETY DEFICIENCIES	8,000	1,614			1,614	6,386	
SHREVEPORT,LA	SAFETY AND FIRE DEFICIENCIES	1,158	1,158			1,158		
ST.LOUIS(JB),MO	SAFETY AND FIRE DEFICIENCIES	1,319	1,319			1,319		
ST.LOUIS(JB),MO	SAFETY AND FIRE DEFICIENCIES	1,447	1,447			1,447		
TOGUS,ME	SAFETY AND FIRE DEFICIENCIES	1,907	1,907			1,907		
TUSCALOOSA,AL	SAFETY AND FIRE DEFICIENCIES	1,800	2,132		-332	1,800		

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND DF APPROPRIATION)

($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (G)-ELIM OF SAFETY HAZARDS										
NEW YORK,NY	SAFETY AND FIRE DEFICIENCIES	5,280	135	4,676	131	338		469	338	
NORTH CHICAGO(DOWNEY),I	SAFETY AND FIRE DEFICIENCIES	3,626	46	13	164		3,403	3,567	3,403	3,403
NORTH CHICAGO(DOWNEY),I	REPLACE AND UPGRADE FIRE ALARM SYSTEM	1,355		4	73	1,186	92	1,351	1,278	92
NORTHPORT,NY	SAFETY AND FIRE DEFICIENCIES	3,900	87	141	3,316	236	120	1,138	356	120
PALO ALTO(PAD),CA	SAFETY AND FIRE DEFICIENCIES	4,000			215	3,538	247		3,785	247
PITTSBURGH(UD),PA	SAFETY AND FIRE DEFICIENCIES	8,400			416	7,355	629		7,984	629
SALEM,VA	SAFETY AND FIRE DEFICIENCIES	4,502	57			4,286	159	4,445	4,445	159
SALISBURY,NC	SAFETY AND FIRE DEFICIENCIES	1,492			1,114	351	27	1,492	378	27
SAN ANTONIO,TX	SPRINKLER HOSPITAL AND CORRECT SAFETY/FIRE DEF	5,700				378	5,322			5,322
SEPULVEDA,CA	ELIMINATE FIRE AND SAFETY DEFICIENCIES	8,000	76	352		6,781	791	1,186	1,186	791
SHREVEPORT,LA	SAFETY AND FIRE DEFICIENCIES	1,158		20	918	146	74	1,138	220	74
ST.LOUIS(JB),MO	SAFETY AND FIRE DEFICIENCIES	1,319	32	70	1,176	41		1,217	41	
ST.LOUIS(JB),MO	SAFETY AND FIRE DEFICIENCIES	1,447		75	1,296	70	6	1,372	76	6
TOGUS,ME	SAFETY AND FIRE DEFICIENCIES	1,907	17	98	1,655	96	41	1,792	137	41
TUSCALOOSA,AL	SAFETY AND FIRE DEFICIENCIES	1,800		1,666	29	75	30	134	105	30

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (G)-ELIM OF SAFETY HAZARDS								
WHITE CITY,OR	REPLACE AND UPGRADE FIRE ALARM SYSTEM	1,010	1,010			1,010		
SUBTOTAL (32)		86431	61507	17634	-4796	74345	12086	

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)

($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	OBLIGATIONS ACTUAL FOR 1980	OBLIGATIONS ESTIMATED FOR 1981	OBLIGATIONS ESTIMATED FOR 1982	OBLIGATIONS ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (G)-ELIM OF SAFETY HAZARDS										
WHITE CITY,OR	REPLACE AND UPGRADE FIRE ALARM SYSTEM	1,010	19	67	871	50	3	924	53	3
SUBTOTAL (32)		86431	3245	15492	21196	32794	13704	37974	34412	13704

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (H)-ELEVATORS								
BROOKLYN,NY	ADDITIONAL ELEVATORS	1,615	1,702		-87	1,615		
EAST ORANGE,NJ	FOUR ADDN ELEVATORS AND TWO FUTURE ELEVATORS	6,644	510			510		6,134
OMAHA,NB	TWO ADDNL ELEVATORS	1,053	1,053			1,053		
PALO ALTO(PAC),CA	TWO ADDITIONAL ELEVATORS	1,300	1,300			1,300		
WILKES-BARRE,PA	THREE ELEVATORS	2,550	1,356	1,194		2,550		
SUBTOTAL (5)		13162	5921	1194	-87	7028		6134

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CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	1981	1982
OTHER IMPR (M)-ELEVATORS										
BROOKLYN,NY	ADDITIONAL ELEVATORS	1,615	1,615							
EAST ORANGE,NJ	FOUR ADDN ELEVATORS AND TWO FUTURE ELEVATORS	6,644	218				6,426	292	292	292
OMAHA,NB	TWO ADDNL ELEVATORS	1,053	990	1	62			62		
PALO ALTO(PAO),CA	TWO ADDITIONAL ELEVATOR	1,380		91	1,118	14	77	1,209	91	77
WILKES-BARRE,PA	THREE ELEVATORS	2,550		157	2,197	52	144	1,199	196	144
SUBTOTAL (5)		13162	2823	249	3377	66	6647	2762	579	513

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	APPROPRIATION PLAN: NET 1981 APPRO	APPROPRIATION PLAN: ADJUSTMENTS	APPROPRIATION PLAN: TOTAL AVAIL THRU 1981	APPROPRIATION PLAN: REQUIRED FOR 1982	APPROPRIATION PLAN: FOR FUTURE CONSIDERATION
OTHER IMPR (I)-ENERGY CONSERVATION								
VARIOUS STATIONS	FY1982-ENERGY REQUEST	10,137					10,137	
ATLANTA,GA	ENERGY CONSERVATION	100			100	100		
AUGUSTA(LO),GA	DINING HALL KITCHEN ENERGY CONSERVATION	350	350			350		
AUGUSTA(LO),GA	ENERGY CONVERSATION	279	279			279		
CANANDAIGUA,NY	ENERGY CONSERVATION SAFETY AND FIRE	77			77	77		
CASTLE POINT,NY	ENERGY CONSERVATION	490			490	490		
COATESVILLE,PA	ENERGY CONSERVATION A/C WARD ADDN	700	703		-3	700		
DAYTON,OH	ENERGY CONVERSATION	386	386			386		
DAYTON,OH	ENERGY CONSERVATION CLINICAL ADDITION	173	173			173		
FRESNO,CA	ENERGY CONSERVATION O/P CLINIC	250	250			250		
HAMPTON,VA	ENERGY CONSERVATION 120 BED NHC	415	415			415		
HUNTINGTON,WV	ENERGY CONSERVATION	403	403			403		
LIVERMORE,CA	ENERGY CONSERVATION 120 BED NHC	373	373			373		
MIAMI,FL	ENERGY CONSERVATION	330	330			330		
MIAMI,FL	ENERGY CONSERVATION R+E	207			207	207		
NASHVILLE,TN	ENERGY CONVERSATION	250	250			250		
PERRY POINT,MD	ENERGY CONSERVATION 80-BED NHC	108	108			108		
RENO,NV	ENERGY CONSERVATION CLINICAL ADDITION	125	125			125		
SALT LAKE CITY,UT	ENERGY CONSERVATION ANB CARE ADDITION	1,216	1,216			1,216		

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)

($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	1981	1982
OTHER IMPR (I)-ENERGY CONSERVATION										
VARIOUS STATIONS	FY1982-ENERGY REQUEST	10,137				556	9,581			9,581
ATLANTA,GA	ENERGY CONSERVATION	100		95	5			5		
AUGUSTA(LO),GA	DINING HALL KITCHEN ENERGY CONSERVATION	350	350							
AUGUSTA(LO),GA	ENERGY CONVERSATION	279	279							
CANANDAIGUA,NY	ENERGY CONSERVATION SAFETY AND FIRE	77		71	1	3	2	6	5	2
CASTLE POINT,NY	ENERGY CONSERVATION	490		490						
COATESVILLE,PA	ENERGY CONSERVATION A/C WARD ADDN	700	702	-2						
DAYTON,OH	ENERGY CONVERSATION	386	368		9	9		18	9	
DAYTON,OH	ENERGY CONSERVATION CLINICAL ADDITION	173	173							
FRESNO,CA	ENERGY CONSERVATION O/P CLINIC	250	246		4			4		
HAMPTON,VA	ENERGY CONSERVATION 120 BED NHC	415	369	2	44			44		
HUNTINGTON,WV	ENERGY CONSERVATION	403	403							
LIVERMORE,CA	ENERGY CONSERVATION 120 BED NHC	373	373							
MIAMI,FL	ENERGY CONSERVATION	330	330							
MIAMI,FL	ENERGY CONSERVATION R+E	207					207	207	207	207
NASHVILLE,TN	ENERGY CONVERSATION	250	250							
PERRY POINT,MD	ENERGY CONSERVATION 80-BED NHC	108	108							
RENO,NV	ENERGY CONSERVATION CLINICAL ADDITION	125	125							
SALT LAKE CITY,UT	ENERGY CONSERVATION AMB CARE ADDITION	1,216	1,216							

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CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (I)-ENERGY CONSERVATION								
TEMPLE,TX	ENERGY CONSERVATION 120 BED NHC	338	338			338		
VARIOUS STATIONS	FY78 ENERGY CONSERVATION	2,815	2,892		-77	2,815		
VARIOUS STATIONS	FY79 ENERGY CONSERVATION	623	723		-100	623		
VARIOUS STATIONS	FY80 ENERGY CONSERVATION	3,633	4,330		-697	3,633		
VARIOUS STATIONS	FY81 ENERGY CONSERVATION	8,756		8,756		8,756		
SUBTOTAL (24)		32534	13644	8756	-3	22397	10137	

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	1981	1982
OTHER IMPR (I)-ENERGY CONSERVATION										
TEMPLE,TX	ENERGY CONSERVATION 120 BED NHC	338	322		12	4		16	4	
VARIOUS STATIONS	FY78 ENERGY CONSERVATIO	2,815			1,827	169	819	2,815	988	819
VARIOUS STATIONS	FY79 ENERGY CONSERVATIO	623			504	107	12	623	119	12
VARIOUS STATIONS	FY80 ENERGY CONSERVATIO	3,633			239		3,394	3,633	3,394	3,394
VARIOUS STATIONS	FY81 ENERGY CONSERVATIO	8,756					8,756		8,756	8,756
SUBTOTAL (24)		32534	5614	656	2645	848	22771	7371	13482	22771

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (J)-WORKING RESERVE								
VARIOUS STATIONS	NON-RESEARCH WORKING RESERVE	17,291	15,872		1,419	17,291		
EAST TENNESSEE	MEDICAL SCHOOL	3,000	3,000			3,000		
SUBTOTAL (2)		20291	18872		1419	20291		

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	OBLIGATIONS ACTUAL FOR 1980	OBLIGATIONS ESTIMATED FOR 1981	OBLIGATIONS ESTIMATED FOR 1982	OBLIGATIONS ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (J)-WORKING RESERVE										
VARIOUS STATIONS	NON-RESEARCH WORKING RESERVE	17,291					17,291	17,291	17,291	17,291
EAST TENNESSEE	MEDICAL SCHOOL	3,000					3,000	3,000	3,000	3,000
SUBTOTAL (2)		20291					20291	17873[a/]	20291	20291

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CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (K)-ADVANCE PLANNING FUND								
VARIOUS STATIONS	FY1982 ADVANCE PLANNING FUND REQUEST	16,000					16,000	
VARIOUS STATIONS	FY1980 ADVANCE PLANNING FUND	8,000	5,000		3,000	8,000		
VARIOUS STATIONS	FY1981 ADVANCE PLANNING FUND	11,000		11,000		11,000		
SUBTOTAL (3)		35000	5000	11000	3000	19000	16000	
SUB-TOTAL, OTHER IMPROVEMENTS (219)		$921726	$531415	$18256	$-3924	$710055	$182449	$29222

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND DF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	1981	1982
OTHER IMPR (K)-ADVANCE PLANNING FUND										
VARIOUS STATIONS	FY1982 ADVANCE PLANNING FUND REQUEST	16,000				5,988	10,012			10,012
VARIOUS STATIONS	FY1980 ADVANCE PLANNING FUND	8,000		1,651	3,438	1,483	1,428	6,349	2,911	1,428
VARIOUS STATIONS	FY1981 ADVANCE PLANNING FUND	11,000			4,998	4,131	1,871		6,002	1,871
SUBTOTAL (3)		35000		1651	8436	11602	13311	6349	8913	13311
SUB-TOTAL, OTHER IMPROVEMENTS (219)		$921726	$258153	$59345	$139151	$242756	$222321	$209993	$253406	$193099

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1578 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
NATIONAL CEMETERIES								
VARIOUS STATIONS	FY1982 ADVANCE PLANNING FUND-NC REQUEST	500					500	
CALVERTON, NY	ADMIN SERVICE BLDGS. COMMITTAL SVC COMPLEX	2,496	2,496			2,496		
CALVERTON, NY	MASTER PLANS DEV 50 ACRES	3,479	3,344		135	3,479		
CALVERTON, NY	DEVELOP 25 ACRES SVC BLDG	2,576	2,576			2,576		
CALVERTON, NY	DESIGN 70 ACRES MASTER PLAN PHII	8,194		574		574		7,620
FORT LOGAN,CO	ADM BLDG/ENTRANCE DR	92	92			92		
FORT LOGAN,CO	DEVELOP 35 ACRES	2,260	2,260			2,260		
FORT SNELLING,MN	DEVELOP 22 ACRES AND ADDITIONAL FACILITIES	5,800					580	5,220
FORT SNELLING,MN	1ST PHASE MASTER PLANS PARTIAL DEVELOPMENT	712	712			712		
FORT SNELLING,MN	ADM SVC BLDG COMPLEX	326	326			326		
REGION V	MASTER PLAN PH 1 DEV	6,000	4,000			4,000	2,000	
FT.SAM HOUSTON, TX	DEVELOP 31 ACRES AND RELOCATE UTILITIES	1,832	1,832			1,832		
HONOLULU,HI	ADMIN BLDG/VISITOR CTR PKG. STRUCTURE	2,967	2,967			2,967		
HONOLULU,HI	COLUMBARIUM ON RIM OF CRATER	3,250	3,250			3,250		
INDIAN TOWN GAP, PA	MASTER PLANS PH I DEV	4,250	4,250			4,250		
INDIAN TOWN GAP, PA	MEMORIAL CTR (VISTOR)		575		-575			
INDIAN TOWN GAP, PA	DEVELOP 63 ACRES AND ADDITIONAL FACILITIES	5,595	5,595			5,595		
JEFFERSON BARRACKS,MO	DEVELOP 40 ACRES	775	1,944		-1,169	775		
MASSACHUSETTS	MASTER PLANS PH I DEV	3,517	3,330		187	3,517		
MASSACHUSETTS	MEMORIAL CTR (VISTOR)		575		-575			

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
NATIONAL CEMETERIES										
VARIOUS STATIONS	FY1982 ADVANCE PLANNING FUND-NC REQUEST	500				187	313			313
CALVERTON, NY	ADMIN SERVICE BLDGS. COMMITTAL SVC COMPLEX	2,496	168	31	2,195	53	49	2,297	102	49
CALVERTON, NY	MASTER PLANS DEV 50 ACR	3,479	522	2,815	89	53		142	53	
CALVERTON, NY	DEVELOP 25 ACRES SVC BL	2,576			181	2,280	115	2,576	2,395	115
CALVERTON, NY	DESIGN 70 ACRES MASTER PLAN PHII	8,194					8,194		574	574
FORT LOGAN,CO	ADM BLDG/ENTRANCE DR	92	60				32	32	32	32
FORT LOGAN,CO	DEVELOP 35 ACRES	2,260	160	1,942	99	59		158	59	
FORT SNELLING,MN	DEVELOP 22 ACRES AND ADDITIONAL FACILITIES	5,800				501	5,299			79
FORT SNELLING,MN	1ST PHASE MASTER PLANS PARTIAL DEVELOPMENT	712	662		50			50		
FORT SNELLING,MN	ADM SVC BLDG COMPLEX	326	138				188	188	188	188
REGION V	MASTER PLAN PH 1 DEV	6,000	48	276	376	4,886	414	3,676	3,300	414
FT.SAM HOUSTON, TX	DEVELOP 31 ACRES AND RELOCATE UTILITIES	1,832				1,700	132	1,832	1,832	132
HONOLULU,HI	ADMIN BLDG/VISITOR CTR PKG. STRUCTURE	2,967			245		2,722	2,967	2,722	2,722
HONOLULU,HI	COLUMBARIUM ON RIM OF CRATER	3,250	320	104	2,536	290		2,826	290	
INDIAN TOWN GAP, PA	MASTER PLANS PH I DEV	4,250	577	30	3,512	69	62	3,643	131	62
INDIAN TOWN GAP, PA	MEMORIAL CTR (VISTOR)									
INDIAN TOWN GAP, PA	DEVELOP 63 ACRES AND ADDITIONAL FACILITIES	5,595			483	4,602	510	5,595	5,112	510
JEFFERSON BARRACKS,MO	DEVELOP 40 ACRES	775		692	59	24		83	24	
MASSACHUSETTS	MASTER PLANS PH I DEV	3,517	3,101	263	74	79		153	79	
MASSACHUSETTS	MEMORIAL CTR (VISTOR)									

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
NATIONAL CEMETERIES								
MASSACHUSETTS	DEVELOP 32 ACRES	2,564	2,394		170	2,564		
MASSACHUSETTS	DESIGN 60 ACRES							
	MASTER PLAN PH IV	4,152		291		291		3,861
QUANTICO,VA	DEV 20 ACRES CONSTRUCT ADMIN/SVC BLDGS.	3,300	3,300			3,300		
QUANTICO,VA	MEMORIAL CTR (VISITOR)		575		-575			
QUANTICO,VA	DEVELOP 75 ACRES	4,888	4,888			4,888		
QUANTICO,VA	DESIGN 50 ACRES							
	MASTER PLAN PH III	15,485		1,084		1,084		14,401
REGION IV	MASTER PLANS PH I DEV	4,038	4,038			4,038		
RIVERSIDE, CA	MASTER PLANS PH I DEV	5,238	5,053		185	5,238		
RIVERSIDE, CA	MEMORIAL CTR (VISITOR)	47	575		-528	47		
RIVERSIDE, CA	DEVELOP 45 ACRES	2,620	2,425		195	2,620		
RIVERSIDE, CA	DEVELOP 57 ACRES PHASE III	5,100					510	4,590
WILLAMETTE,OR	DEV 20 ACRES ADDN FACILITIES	1,506	1,506			1,506		
SUBTOTAL (32)		103559	64878	1949	-2550	64277	3590	35692

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	OBLIGATIONS ACTUAL FOR 1980	OBLIGATIONS ESTIMATED FOR 1981	OBLIGATIONS ESTIMATED FOR 1982	OBLIGATIONS ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
NATIONAL CEMETERIES										
MASSACHUSETTS	DEVELOP 32 ACRES	2,564		134	1,983	310	137	2,430	447	137
MASSACHUSETTS	DESIGN 60 ACRES MASTER PLAN PH IV	4,152				241	3,911		291	50
QUANTICO,VA	DEV 20 ACRES CONSTRUCT ADMIN/SVC BLDGS.	3,300	215	7	2,969	25	84	3,078	109	84
QUANTICO,VA	MEMORIAL CTR (VISITOR)	4,888			324	4,255	309	4,888	4,564	309
QUANTICO,VA	DEVELOP 75 ACRES									
QUANTICO,VA	DESIGN 50 ACRES MASTER PLAN PH III	15,485					15,485		1,084	1,084
REGION IV	MASTER PLANS PH I DEV	4,038	51		169	3,332	486	3,987	3,818	486
RIVERSIDE, CA	MASTER PLANS PH I DEV	5,238	5,006	121	111			111		
RIVERSIDE, CA	MEMORIAL CTR (VISITOR)	47	47							
RIVERSIDE, CA	DEVELOP 45 ACRES	2,620	142	2,208	270			270		
RIVERSIDE, CA	DEVELOP 57 ACRES PHASE III	5,100				338	4,762			172
WILLAMETTE,OR	DEV 20 ACRES ADDN FACILITIES	1,506	308	1,133	55	10		65	10	
SUBTOTAL (32)		103559	11525	9756	15780	23294	43204	41047	27216	7512

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
COMPUTER CENTERS ADDN + ALTERATIONS								
HINES(DPC),IL	DPC BUILDING	5,600	5,600			5,600		
SUBTOTAL (1)		5600	5600			5600		

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	1981	1982
COMPUTER CENTERS ADDN + ALTERATIONS										
HINES(DPC),IL	DPC BUILDING	5,600	5,551	13	36			36		
SUBTOTAL (1)		5600	5551	13	36			36		

CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
REGIONAL OFFICE REPL RENOVA								
SIOUX FALLS,SD	VAM AND RCC	2,700		2,700		2,700		
TOGUS,ME	OVB	3,090		3,090		3,090		
SUBTOTAL (2)		5790		5790		5790		
TOTAL (372)		$3750825	$2323379	$423774		$152747154	$500930	$502741
GRAND TOTAL		$3750825	$2323379	$423774		$152747154	$500930	$502741

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CONSTRUCTION, MAJOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	1981	1982
REGIONAL OFFICE REPL RENOVA										
SIOUX FALLS,SD	VAM AND ROC	2,700			179		2,521		2,521	2,521
TOGUS,ME	OVB	3,090			179	2,726	185		2,911	185
SUBTOTAL (2)		5790			358	2726	2706		5432	2706
TOTAL (372)		$3750825	$1087128	$382761	$475104	$661851	$1143981	$853491	$802161	$641240
GRAND TOTAL		$3750825	$1087128	$382761	$475104	$661851	$1143981	$853491	$802161	$641240

CONSTRUCTION, MINOR PROJECTS

Appropriation Language

"For constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Veterans Administration, including planning, architectural and engineering services, and site acquisition, or for any of the purposes set forth in Sections 1004, 1006, 5002, 5003, 5006, 5008, 5009, 5010 of title 38, United States Code, where the estimated cost of a Project is less than $2,000,000, ~~[$108,908,000]~~ ~~$148,979,000~~ $101,501,000 to remain available until expended, along with unobligated balances of previous Construction, Minor project appropriations which are hereby made available for any Construction, Minor project, where the estimated cost is less than $2,000,000: Provided, That not more than ~~[$26,344,000]~~ ~~$33,179,000~~ $31,179,000 shall be available for expenses of the Office of Construction.

Minor Language Explanation

The demarcation between the Major and Minor Construction Appropriations was changed in FY 1981 from $1 million to $2 million. Language enacted for FY 1981, however, does not provide for use of pre-FY 1981 Minor funding, limited to $1 million, for newly funded minor projects costing more than $1 million. This results in a loss of some of the year-to-year flexibility of the minor account, and necessitates the establishment of unnecessarily complex accounting procedures to separately monitor these fuunds. The proposed phrase will correct this by making all prior minor funds available for projects costing less than $2 million.

Appropriation/Fund Highlights

	FY 1980 Actual	1981 Estimate	1982 Estimate	Increase (+) Decrease (-)
		(Dollars in Thousands)		
Appropriation	73,743	~~110,770~~ 110,370	~~148,979~~ 116,979	~~+38,209~~ 6,609
Less: Reprogrammings from prior appropriations	-510	-559	...	+ 559
New Budget Authority	73,233	~~110,211~~ 109,811	~~148,979~~ 116,979	~~+38,768~~ 7,168
Obligations	79,087	~~98,472~~ 98,072	~~127,570~~ 105,570	~~+29,098~~ 7,498
Cost	103,318	~~105,675~~ 105,275	~~101,001~~ 92,801	~~- 3,874~~ 1,474
Outlays	105,168	~~101,536~~ 101,136	~~101,453~~ 93,453	~~- 83~~ 7,683
Average employment (jurisdictional)	722	~~887~~ 787	~~905~~ 842	~~+ 102~~ 55

FY 1981 total includes requested supplemental

General Statement

The Construction, Minor Projects appropriation provides for constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Veterans Administration, including planning, architectural and engineering services, site acquisition and art in architecture where the estimated cost of a project is less than $2,000,000, and expenses of the Office of the Assistant Administrator for Construction.

SUMMARY OF 1982 REQUEST

An appropriation of $116,979 ~~$148,979~~ is requested for 1982. A summary of the request by activity follows:

	FY 1982 Request (In Thousands of $)
Construction Projects :	
A. Medical Program	
~~Research and Education~~	~~$ 2,380~~
Other Improvements	$ 85,000 ~~110,620~~
General Projects	(13,671) ~~(32,816)~~
Miscellaneous Projects $100,000 - $400,000	(47,814) ~~(49,774)~~
Clinical Improvements	(7,940) ~~(12,255)~~
Correction of Electrical Deficiencies	(4,900)
Elimination of Safety Hazards	(7,810)
Elevators	865 ~~(3,665)~~
B. National Cemetery Program	2,800
C. General Administration	31,179 ~~33,179~~
Total - Construction Minor Request	$ 116,979 ~~$ 148,979~~

Changes from Original 1981 Budget Estimates

	1981 Budget Estimate	1981 Current Estimate	Increase (+) Decrease (-)
Appropriation (adjusted)	140,454	110,370	-30,084
Obligations	122,320	98,072	-24,248
Costs	117,994	105,275	-12,719
Outlays	107,696	101,136	- 6,560
Average employment	851	801	- 64
General Administration	799	749	- 64

The FY 1981 appropriation bill as enacted provides $108,408,000, which was $31,546,000 less than requested. Congress reduced the General Administration request of the Office of Construction by $3,000,000 with a reduction of 50 in the average employment. An internal transfer of 2 positions from Office of Construction to Office of Data Management and Telecommuncation to provide computer support is not reflected. The additional budget authority, $1,862,000, reflected in the current estimate represents additional payroll funds required to meet the civilian pay raise effective October 5, 1980. The proposal to meet this funding need is a ~~$1,303,000~~ supplemental, ~~and~~ a $559,000 and an offsetting reprogramming of existing funds. The $559,000 is unobligated minor construction funds. With our civilian pay raise supplemental request of ~~$1,303,000~~ is the provision to increase the limitation on Office of Construction administrative expenses by the full $1,862,000 for FY 1981. With approval of this higher limitation, reprogramming for the $559,000 can be undertaken.

$903,000

$903,000

savings of $344,000 produced by a reduction of 14 in average employment in FY 1981.

CONSTRUCTION, MINOR PROSPECTUS INDEX

Location	Project Description	Page No.
Construction, Minor		
~~Various Stations~~	~~Research and Education~~	~~15-5~~
Various Stations	General Projects	15-6
Various Stations	Miscellaneous Projects ($100,000 - $400,000)	15-7
Various Stations	Clinical Improvements	15-8
Various Stations	Correction of Electrical Deficiencies	15-9
Various Stations	Elimination of Safety Hazards	15-10
Various Stations	Elevators	15-11
Various Stations	National Cemetery Program	15-12

Various Stations

General Projects

I. Justification for Proposed Program

Projects funded from this category are necessary to eliminate deficiencies which impair the facility's capability to provide modern medical care and treatment. Accomplishment of these minor modernization, renovation, and expansion projects can have a major effect on the ability of a hospital to function efficiently and provide care effectively, while maintaining the dignity of our veterans.

II. Description of Proposed Program

It is proposed to make the necessary additions or modifications to existing structures to improve operations, eliminate deficiencies, or provide for new or improved patient care or therapy with projects estimated to cost more than $400,000 but less than $2,000,000. Included are such projects as renovation of buildings and wards, modernization of dietetics areas, construction of warehouses, and other projects generally intended to upgrade or expand support and administrative areas.

III. Budget Authority (In Thousands of Dollars)

FY 1982 Request .... ~~$32,216~~ 13,671

15-6 R

NO 15.5

Various Stations

Miscellaneous Projects / $100,000 - $400,000

I. Justification for Proposed Program

There is a need to support and provide for the continuing modification and expansion of selected facilities to protect the capital investment, meet the demands of an ever-changing environment, correct unsafe conditions and cited deficiencies, and provide an acceptable standard of therapy and care commensurate with the funding limitations for this category of projects. Minor improvement medical construction projects costing less than $100,000 are generally funded from annual operating funds justified as part of the medical care appropriation.

Minor miscellaneous projects represent a very high priority category of funds because they provide a flexible and timely response for the accomplishment of many critical projects necessary to keep pace with the rapid changes in the practice of medicine and to offset facility deterioration.

II. Description of Proposed Program

It is proposed to make necessary additions or modifications to existing structures to improve operations, and to eliminate deficiencies with projects estimated to cost no more than $400,000. Included are such projects as converting or renovating patient wards, remodeling clinical areas, renovating patient support facilities, and providing transportation systems. Also included are projects correcting safety and fire protection deficiencies, JCAH deficiencies and other cited deficiencies, and providing for the conversion of energy improvements.

III. Budget Authority (In Thousands of Dollars)

FY 1982 Request ... ~~$49,714~~ $47,914

15-7R

Various Stations

Clinical Improvements

I. Justification for Proposed Program

In a large number of VA medical centers, minimal space for clinical support facilities such as Radiology, Laboratory, Dentistry, etc., was provided at the time of construction or alteration. New developments in medicine and recent legislative enactments have increased the workload of support facilities for the inpatient and outpatient workload.

II. Description of Proposed Program

It is planned to correct these deficiencies at various Medical Centers by alterations to existing facilities or new construction, where necessary. The funds requested under this category are to provide for projects costing less than $2,000,000, but more than $400,000. Projects estimated to cost $2,000,000 or more are included in the construction, major appropriation request.

III. Budget Authority (In Thousands of Dollars)

FY 1982 Request ... ~~$12,695~~ 7,940

Various Stations

Correction of Electrical Deficiencies

I. Justification for Proposed Program

Many of our medical centers fail to meet the minimum standards for sound electrical distribution systems. Various vital and and critical components such as essential alarm systems and elevators, corridors, bed areas and stairwells in patient-occupied buildings are deficient in emergency electrical power. Most electrical systems are in dire need of upgrading to conform with codes, standards and sound engineering practices.

Power blackouts and brownouts have become a reality due to our nation's increasing use of electrical power. The energy crisis and the possibility of natural disasters present the continuing threat of power outages in our VA facilities. Therefore, we must provide the capability for safe and sure electrical power.

II. Description of Proposed Program

This is one segment of our multi-year effort to upgrade emergency, primary, and secondary electrical power systems, consistent with applicable codes, standards and sound engineering practices tailored to the needs of individual Medical Centers.

The funds requested under this category are to provide for projects costing more than $400,000, but less than $2,000,000. Projects estimated to cost $2,000,000 or more are included in the construction, major appropriation request.

III. Budget Authority (In Thousands of Dollars)

FY 1982 Request ... $4,900

Various Stations

Elimination of Safety Hazards

I. Justification for Proposed Program

This program proposes to correct safety and fire protection deficiencies in existing structures by installation of additional exits, enclosing stairs and installation of smoke barrier doors, automatic sprinkler systems, and fire alarm systems.

II. Description of Proposed Program

This is one increment in a multi-year program to upgrade existing structures to comply with applicable safety and fire protection codes and OSHA Standards or to demolish vacant buildings which, if left standing, would become a safety and fire hazard.

The funds requested under this category are to provide for projects costing more than $400,000 but less than $2,000,000. Projects estimated to cost $2,000,000 or more are included in the construction, major appropriation request.

III. Budget Authority (In Thousands of Dollars)

FY 1982 Request $7,810

Various Stations

Elevators

I. Justification for Proposed Program

Many passenger and freight elevator systems are inadequate and the cause of unwarranted delays in transporting emergency health care teams, patients, critical supplies, food carts, staff and visitors. These deficiencies must be corrected in order to administer proper patient care and to maintain the morale of patients and staff.

II. Description of Proposed Program

It is proposed to correct these deficiencies by constructing new elevator shafts and new elevator cars within and/or abutting existing hospital buildings. Elevator cars and controls will be equipped with the latest state-of-the-art components which will insure that fast dependable service can be provided.

III. Budget Authority (In Thousands of Dollars)

FY 1982 Request .... ~~$3,669~~ 865

NATIONAL CEMETERY PROGRAM

Construction - Minor
Various Stations

I. Justification for Proposed Program

Various projects are needed to prrovide urgently needed gravesites including supporting roadways, utilities and landscaping.

II. Description of Proposed Program

It is planned to provide, with this category, urgent national cemetery construction projects costing less than $2,000,000 for the type of work listed in justification for Proposed Program above.

III. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment cost:	$ 15,000
Total Recurring Cost:	$134,000

IV Budget Authority (In Thousands of Dollars)

FY 1982 Request ... $2,800

INDEX

MINOR PROJECTS

	DESCRIPTION	PAGE NO.
NHC	Nursing Home Care	15-14
AMB	Outpatient Improvements	15-16
R&E	Research and Education	15-18
OSA	Other Improv. - General Projects	15-20
OSB	Other Improv. - Misc. Projects $100 - $400,000	15-26
OSD	Other Improv. - Clinical Improvements	15-70
OSE	Other Improv. - Air Conditioning Systems	15-76
OSH	Other Improv. - Correction of Seismic Defic.	15-78
OSI	Other Improv. - Correction of Electrical Defic.	15-82
OSJ	Other Improv. - Elimination of Safety Hazards	15-90
OSL	Other Improv. - Elevators	15-98
OSO	Other Improv. - Energy Conservation	15-100
OSQ	Other Improv. - Admin. Discretionary Fund	15-102
OSR	Other Improv. - Advance Planning Fund	15-104
NC	National Cemeteries	15-106
CC	Computer Centers Additions and Alterations	15-110
DVB	Regional Office Replacement and Renovation	15-112
GAD	General Administration	15-114

The Construction, Minor spread sheets have not been altered to reflect the March Budget Revisions.

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
NURSING HOME CARE								
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET		4,643			4,643		
VARIOUS STATIONS	LESS FIN COMPLETED PROJECTS		-652			-652		
BILOXI(BC),MS	NHC-70 BEDS	308						
CASTLE POINT,NY	NHC-52 BEDS	861						
FORT LYON,CO	NHC UNIT RENOVATION BLDG.NO.7 LEVEL A	1,000						
LEXINGTON(LD),KY	NHC-50 BEDS	653						
SAGINAW,MI	NHC-30 BEDS	664						
VARIOUS STATIONS	NHC WORKING RESERVE	17						
VARIOUS STATIONS	FY76 PROGRAM BALANCE	450						
VARIOUS STATIONS	FYTQ PROGRAM BALANCE	38						
SUBTOTAL (10)		3991	3991			3991		

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	OBLIGATIONS ACTUAL FOR 1980	OBLIGATIONS ESTIMATED FOR 1981	OBLIGATIONS ESTIMATED FOR 1982	OBLIGATIONS ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
NURSING HOME CARE										
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET									
VARIOUS STATIONS	LESS FIN COMPLETED PROJECTS									
BILOXI(BD),MS	NHC-70 BEDS	308	321	-13						
CASTLE POINT,NY	NHC-52 BEDS	861	861							
FORT LYON,CO	NHC UNIT RENOVATION BLDG.NO.7 LEVEL A	1,000		59	815	75	51	941	126	51
LEXINGTON(LD),KY	NHC-50 BEDS	653	641		12			12		
SAGINAW,MI	NHC-30 BEDS	664	630	1	33			33		
VARIOUS STATIONS	NHC WORKING RESERVE	17			15		2	17	2	2
VARIOUS STATIONS	FY76 PROGRAM BALANCE	450				420	30	450	450	30
VARIOUS STATIONS	FY79 PROGRAM BALANCE	38			35		3	38	3	3
SUBTOTAL (10)		3991	2453	47	910	495	86	1491	581	86

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OUTPATIENT IMPROVEMENTS								
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET		15,046		1	15,047		
VARIOUS STATIONS	LESS FIN COMPLETED PROJECTS		-2,056			-2,056		
ASHEVILLE(OTEEN),NC	RENOVATE AND EXPAND O/P AMB CARE	474						
BAY PINES,FL	O/P CLINIC EXPANSION	375						
CHARLESTON,SC	O/P CLINIC EXPANSION	850						
GRAND JUNCTION,CO	REMODEL AMBULATORY CARE CLINIC	336						
MANCHESTER,NH	O/P CLINIC IMPROVEMENTS	771						
NEW YORK,NY	EXPAND O/P CLINIC	985						
SAN DIEGO,CA	O/P CLINIC IMPROVEMENTS	528						
SAN DIEGO,CA	O/P CLINIC IMPROVEMENTS	304						
SAN DIEGO,CA	ALTERATIONS TO O/P CLINICS PHASE III	1,002						
SEATTLE,WA	AMBULATORY CARE BLDG	1,389						
SYRACUSE,NY	O/P CLINIC IMPROVEMENTS REOPENED	861						
TAMPA,FL	O/P IMPROVEMENTS	682						
WEST HAVEN,CT	O/P CLINIC IMPROVEMENTS	870						
WOOD,WI	RENOVATION FOR AMB PH IV	495						
VARIOUS STATIONS	FYTQ PROGRAM BALANCE	439						
VARIOUS STATIONS	FY77 PROGRAM BALANCE	2,710						
SUBTOTAL (18)		12991	12990		1	12991		

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	1981	1982
OUTPATIENT IMPROVEMENTS										
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET									
VARIOUS STATIONS	LESS FIN COMPLETED PROJECTS									
ASHEVILLE(OTEEN),NC	RENOVATE AND EXPAND O/P AMB CARE	474	459		15			15		
BAY PINES,FL	O/P CLINIC EXPANSION	375	361		14			14		
CHARLESTON,SC	O/P CLINIC EXPANSION	850	807	33	10			10		
GRAND JUNCTION,CO	REMODEL AMBULATORY CARE CLINIC	336	312	7	17			17		
MANCHESTER,NH	O/P CLINIC IMPROVEMENTS	771	743		28			28		
NEW YORK,NY	EXPAND O/P CLINIC	985		30	40	895	20	955	915	20
SAN DIEGO,CA	O/P CLINIC IMPROVEMENTS	528	509		19			19		
SAN DIEGO,CA	O/P CLINIC IMPROVEMENTS	304	286	3	15			15		
SAN DIEGO,CA	ALTERATIONS TO O/P CLINICS PHASE III	1,002	867	44	91			91		
SEATTLE,WA	AMBULATORY CARE BLDG	1,309	1,264	39	6			6		
SYRACUSE,NY	O/P CLINIC IMPROVEMENTS REOPENED	861		55	730	76		806	76	
TAMPA,FL	O/P IMPROVEMENTS	682	642	22	18			18		
WEST HAVEN,CT	O/P CLINIC IMPROVEMENTS	870	837		33			33		
WOOD,WI	RENOVATION FOR AMB PH IV	495		477	18			18		
VARIOUS STATIONS	FY7Q PROGRAM BALANCE	439				365	74	439	439	74
VARIOUS STATIONS	FY77 PROGRAM BALANCE	2,710				2,530	180	2,710	2,710	180
SUBTOTAL (18)		12991	7087	710	1054	3866	274	5194	4140	274

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)

($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
RESEARCH AND EDUCATION								
VARIOUS STATIONS	FY1982 REQUEST	2,380					2,380	
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET		11,824	1,880	-1	13,703		
VARIOUS STATIONS	LESS FIN COMPLETED PROJECTS		-583			-583		
ALBANY, NY	ANIMAL RESEARCH FACILITY	1,093						
ALBUQUERQUE,NM	EDUCATION BLDG.	920						
FRESNO,CA	AHEC/MEDICAL EDUCATION BLDG.	1,344						
LOS ANGELES,CA	NEW ANIMAL RESEARCH FACILITY	1,094						
LOS ANGELES(BW),CA	PROVIDE RESEARCH LAB	576						
LOUISVILLE,KY	EDUCATION BLDG.	951						
MARTINEZ,CA	MODULAR EDUCATION BLDG.	48						
PALO ALTO(PAO),CA	ANIMAL RESEARCH FACILITY	1,078						
SAN FRANCISCO, CA	ANIMAL RESEARCH FACILITY	115						
SEATTLE,WA	ANIMAL RESEARCH FACILITY	556						
ST.LOUIS(VAH),MO	EDUCATION ADDITION	1,600						
TUCSON,AZ	ANIMAL FACILITY	1,149						
WASHINGTON, DC	CLOSE CIRCUIT TV	458						
WICHITA,KS	REMODEL BLDG NO.4	225						
VARIOUS STATIONS	FY74 PROGRAM BALANCE	1						
VARIOUS STATIONS	FYTQ PROGRAM BALANCE	17						
VARIOUS STATIONS	FY78 PROGRAM BALANCE	1,615						
VARIOUS STATIONS	FY81 PROGRAM BALANCE	1,720						
SUBTOTAL (21)		16940	11241	1880	-1	13120	2380	1440

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	OBLIGATIONS ACTUAL FOR 1980	OBLIGATIONS ESTIMATED FOR 1981	OBLIGATIONS ESTIMATED FOR 1982	OBLIGATIONS ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
RESEARCH AND EDUCATION										
VARIOUS STATIONS	FY1982 REQUEST	2,380				55	2,325			2,325
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET									
VARIOUS STATIONS	LESS FIN COMPLETED PROJECTS									
ALBANY, NY	ANIMAL RESEARCH FACILIT	1,093	90	909	94			94		
ALBUQUERQUE,NM	EDUCATION BLDG.	920	892	24	14			14		
FRESNO,CA	AHEC/MEDICAL EDUCATION BLDG.	1,344	1,300	44						
LOS ANGELES,CA	NEW ANIMAL RESEARCH FACILITY	1,094	8	1,034	52			52		
LOS ANGELES(BH),CA	PROVIDE RESEARCH LAB	576	565		11			11		
LOUISVILLE,KY	EDUCATION BLDG.	951	877	40	34			34		
MARTINEZ,CA	MODULAR EDUCATION BLDG.	48	43		5			5		
PALO ALTO(PAO),CA	ANIMAL RESEARCH FACILIT	1,078	1,046	26	6			6		
SAN FRANCISCO, CA	ANIMAL RESEARCH FACILIT	115	82	13	20			20		
SEATTLE,WA	ANIMAL RESEARCH FACILIT	556	212	324	20			20		
ST.LOUIS(VAH),MO	EDUCATION ADDITION	1,600			85	1,450	65		75	
TUCSON,AZ	ANIMAL FACILITY	1,149	1,105		44			44		
WASHINGTON, DC	CLOSE CIRCUIT TV	458	457		1			1		
WICHITA,KS	REMODEL BLDG NO.4	225	224		1			1		
VARIOUS STATIONS	FY74 PROGRAM BALANCE	1			1			1		
VARIOUS STATIONS	FY79 PROGRAM BALANCE	17			15	2		17	2	
VARIOUS STATIONS	FY78 PROGRAM BALANCE	1,615			755	795	65	1,615	860	65
VARIOUS STATIONS	FY81 PROGRAM BALANCE	1,720			110	1,535	75		1,610	75
SUBTOTAL (21)		16940	6891	2414	1268	3837	2530	1935	2547	1090

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (A)-GENERAL PROJECTS								
VARIOUS STATIONS	FY1982 REQUEST	32,216					32,216	
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET		36,891	16,880	166	53,937		
VARIOUS STATIONS	LESS FIN COMPLETED PROJECTS		-5,060			-5,060		
ALBUQUERQUE,NM	WARD RENOVATIONS BLDGS. 7 AND 7A	1,805						
ALEXANDRIA,LA	RENOVATE DIETETIC SVC PH II	508						
ALLEN PARK,MI	CONVERT LAUNDRY TO ADMIN SPACE	1,557						
ATLANTA,GA	PARKING DECK	715						
AUGUSTA(LO),GA	MEDICAL GAS AND NURSE CALL SYSTEM	590						
BATH,NY	NEW WAREHOUSE	663						
BATTLE CREEK,MI	PURCHASE OF CONSOL LAUNDRY WAREHOUSE BLDG	1,800						
BEDFORD,MA	REPLACE WATER DISTR. SYSTEM	536						
BROCKTON,MA	MODERNIZE PATIENT ROOMS BLDGS. 3 AND 5	1,098						
CHICAGO(WS),IL	RENOVATE PSYCHATRIC WARD AREAS	1,670						
CLEVELAND(BRECKSVLE),OH	ADVANCE TO CITY OF CLEVELAND	56						
DANVILLE,IL	RENOVATE PAT PRIVACY	535						
DUBLIN,GA	SEWAGE TREATMENT PLANT	427						
FARGO,ND	DIETITIIC REMODELING	649						
FARGO,ND	EXPANSION OF LAB SVC	681						
FAYETTEVILLE,AK	WARD RENOVATIONS	951						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (A)-GENERAL PROJECTS										
VARIOUS STATIONS	FY1982 REQUEST	32,216				1,825	30,391			30,391
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET									
VARIOUS STATIONS	LESS FIN COMPLETED PROJECTS									
ALBUQUERQUE,NM	WARD RENOVATIONS BLDGS. 7 AND 7A	1,005	903	82	20			20		
ALEXANDRIA,LA	RENOVATE DIETETIC SVC PH II	508	22	475	11			11		
ALLEN PARK,MI	CONVERT LAUNDRY TO ADMIN SPACE	1,557			95	1,395	67		1,462	67
ATLANTA,GA	PARKING DECK	715	32	683						
AUGUSTA(LD),GA	MEDICAL GAS AND NURSE CALL SYSTEM	590	8	25	25	532		557	532	
BATH,NY	NEW WAREHOUSE	663	653		10			10		
BATTLE CREEK,MI	PURCHASE OF CONSOL LAUNDRY WAREHOUSE BLDG	1,000				930	70	1,000	1,000	70
BEDFORD,MA	REPLACE WATER DISTR. SYSTEM	536	526		10			10		
BROCKTON,MA	MODERNIZE PATIENT ROOMS BLDGS. 3 AND 5	1,098	1,097	1						
CHICAGO(WS),IL	RENOVATE PSYCHATRIC WAR AREAS	1,670			75	1,290	305		92	
CLEVELAND(BRECKSVLE),OH	ADVANCE TO CITY OF CLEVELAND	56	156	-100						
DANVILLE,IL	RENOVATE PAT PRIVACY	535		25	490	15	5	510	20	5
DUBLIN,GA	SEWAGE TREATMENT PLANT	427	40	361	26			26		
FARGO,ND	DIETITIIC REMODELING	649		615	34			34		
FARGO,ND	EXPANSION OF LAB SVC	681	655	15	11			11		
FAYETTEVILLE,AK	WARD RENOVATIONS	951	884	32	35			35		

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (A)-GENERAL PROJECTS								
FORT LYON,CO	MOD TO SEWAGE TREATMENT PLANT	1,028						
HINES(VAH),IL	FUEL OIL STORAGE	534						
HUNTINGTON,WV	BASIC SCIENCE ADDITION	834						
LEAVENWORTH,KS	UTLIITY WALKWAYS BLDGS. 88,89,91	520						
MARION,IN	WAREHOUSE ADDITION	534						
MARION,IN	AOV SYSTEM BLDGS.12,15,16 AND 17	863						
MARION,IN	CONNECTING CORRIDORS	940						
MURFREESBORO,TN	CONSTRUCT ENTRANCE ROAD	587						
MURFREESBORO,TN	WARD PARTITIONS	342						
NEW ORLEANS,LA	PRE-FAB OFFICE BLDG.	353						
NORTHAMPTON,MA	RENOVATE BLDG NO.26	922						
OMAHA,NB	BOILER PLANT EXPANSION	810						
PALO ALTO(PAD),CA	GERESTRIC RESEARCH AND CLINICAL CENTER	998						
PHILADELPHIA(VAH),PA	CONVERT KITCHEN TO CENTRAL TRAY	816						
PITTSBURGH(LFR),PA	CONVERT 16 8 BED WARDS TO 4 BED RMS	998						
PITTSBURGH(UD),PA	CANTEEN RENOVATION	2,000						
RENO,NV	NEW LAUNDRY	109						
SALEM,VA	RENOVATE BLDG NO.8	860						
SEPULVEDA,CA	PATIENT SUPPORT SYSTEM PHASE II	1,023						
ST CLOUD,MN	CANTEEN RENOVATION	1,087						
ST.LOUIS(VAH),MO	RENOVATE WARD 7 SOUTH	1,100						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	1981	1982
OTHER IMPR (A)-GENERAL PROJECTS										
FORT LYON,CO	MOD TO SEWAGE TREATMENT PLANT	1,028	974		54			54		
HINES(VAH),IL	FUEL OIL STORAGE	534		44	410	80		490	80	
HUNTINGTON,WV	BASIC SCIENCE ADDITION	834	834							
LEAVENWORTH,KS	UTLIITY WALKWAYS BLDGS. 88,89,91	520	520							
MARION,IN	WAREHOUSE ADDITION	534	537	-3						
MARION,IN	AOV SYSTEM BLDGS.124,15,16 AND 17	863	862	1						
MARION,IN	CONNECTING CORRIDORS	940	887	17	36			36		
MURFREESBORO,TN	CONSTRUCT ENTRANCE ROAD	587		548	39			39		
MURFREESBORO,TN	WARD PARTITIONS	342	340	2						
NEW ORLEANS,LA	PRE-FAB OFFICE BLDG.	353	333	18	2			2		
NORTHAMPTON,MA	RENOVATE BLDG NO.26	922	879	23	20			20		
OMAHA,NB	BOILER PLANT EXPANSION	810	804		6			6		
PALO ALTO(PAO),CA	GERESTRIC RESEARCH AND CLINICAL CENTER	998	944	20	34			34		
PHILADELPHIA(VAH),PA	CONVERT KITCHEN TO CENTRAL TRAY	816	630		186			186		
PITTSBURGH(LFR),PA	CONVERT 16 8 BED WARDS TO 4 BED RMS	998	934	43	10	11		21	11	
PITTSBURGH(UD),PA	CANTEEN RENOVATION	2,000			115	1,640	245		1,885	245
RENO,NV	NEW LAUNDRY	109	94	9	6			6		
SALEM,VA	RENOVATE BLDG NO.8	860	804	-1	57			57		
SEPULVEDA,CA	PATIENT SUPPORT SYSTEM PHASE II	1,023	970	3	50			50		
ST CLOUD,MN	CANTEEN RENOVATION	1,087			835	195	57		252	57
ST.LOUIS(VAH),MO	RENOVATE WARD 7 SOUTH	1,100			90	955	55	1,100	1,010	55

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (A)-GENERAL PROJECTS								
TOGUS,ME	MODERNIZE BLDG. NO.207	825						
TOGUS,ME	NEW PUMPHOUSE AND SEWER LINE	573						
TOMAH,WI	IMPROVE WATER SEWAGE SYSTEM	392						
TUSCALOOSA,AL	RENOVATE DIETETICS	1,497						
TUSCALOOSA,AL	RENOVATE WARD BLDG.NO.1	604						
TUSKEGEE,AL	RENOVATE WARDS BLDG 3 AND 3A	360						
TUSKEGEE,AL	SEWAGE TREATMENT PLANT	67						
WHITE RIVER JUNCTION,VT	NEW ENGINEERING BLDG.	635						
VARIOUS STATIONS	NON-RES WORKING RESERVE	1,168						
VARIOUS STATIONS	FY77 GENERAL PROJECTS	400						
VARIOUS STATIONS	FY78 GENERAL PROJECTS	1,245						
VARIOUS STATIONS	FY79 GENERAL PROJECTS	523						
VARIOUS STATIONS	FY80 GENERAL PROJECTS	136						
VARIOUS STATIONS	FY81 PROGRAM BALANCE	12,056						
SUBTOTAL (54)		82596	31831	16880	166	48877	32216	1503

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	OBLIGATIONS ACTUAL FOR 1980	OBLIGATIONS ESTIMATED FOR 1981	OBLIGATIONS ESTIMATED FOR 1982	OBLIGATIONS ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (A)-GENERAL PROJECTS										
TOGUS,ME	MODERNIZE BLDG. NO.207	825	770	55						
TOGUS,ME	NEW PUMPHOUSE AND SEWER LINE	573	559	14						
TOMAH,WI	IMPROVE WATER SEWAGE SYSTEM	392	319	73						
TUSCALOOSA,AL	RENOVATE DIETETICS	1,497	1,461	-33	69			69		
TUSCALOOSA,AL	RENOVATE WARD BLDG.NO.1	604	561	3	40			40		
TUSKEGEE,AL	RENOVATE WARDS BLDG 3 AND 3A	360		351	5	4		9	4	
TUSKEGEE,AL	SEWAGE TREATMENT PLANT	67		67						
WHITE RIVER JUNCTION,VT	NEW ENGINEERING BLDG.	635	598	-2	39			39		
VARIOUS STATIONS	NON-RES WORKING RESERVE	1,168					1,168	1,168	1,168	1,168
VARIOUS STATIONS	FY77 GENERAL PROJECTS	400			350	10	40	400	50	40
VARIOUS STATIONS	FY78 GENERAL PROJECTS	1,245			1,085		160	1,245	160	160
VARIOUS STATIONS	FY79 GENERAL PROJECTS	523			50	345	128	523	473	128
VARIOUS STATIONS	FY80 GENERAL PROJECTS	136			10	120	6	136	126	6
VARIOUS STATIONS	FY81 PROGRAM BALANCE	12,056			420	420	11,216		11,636	11,216
SUBTOTAL (54)		82596	20590	3466	4860	9767	43913	7941	19961	42410

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (8)-MISC PROJ $100-$400,000								
VARIOUS STATIONS	FY1982 REQUEST	49,774					49,774	
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET		123,814	41,442	10	165,266		
VARIOUS STATIONS	LESS FIN COMPLETED PROJECTS		-13,529			-13,529		
ALBANY, NY	RENOVATE WARD 4-C	225						
ALBANY, NY	RELOCATE ANAOMICAL LAB	377						
ALBANY, NY	RENOVATE NHCU 4A AND 4D	426						
ALBANY, NY	PRE-ENGINEERED METAL BLDG	378						
ALBUQUERQUE,NM	WARD MODIFICATIONS	320						
ALBUQUERQUE,NM	PATIENT ELEVATOR BLDG NO.3	218						
ALBUQUERQUE,NM	WARD 5 RENOVATION PHASE 2	460						
ALBUQUERQUE,NM	A/C PATIENT WARDS	237						
ALBUQUERQUE,NM	PSY WARD RENOVATION	255						
ALLEN PARK,MI	RENOVATE O/P PHARMACY	99						
ALLEN PARK,MI	CONVERT AUDITORIUM TO EDUCATIONAL SPACE	327						
ALLEN PARK,MI	ELIMATE ARCH BARRIERS	66						
ALLEN PARK,MI	EXPAND O/P	385						
ALLEN PARK,MI	RELOCATE AND EXPAND HEMODIALYSIS UNIT	422						
ALLEN PARK,MI	ENCLOSE AMBULANCE ENTRANC	130						
ALLEN PARK,MI	INSTALL SPRINKLER SYSTEM	422						
ALLEN PARK,MI	RELOCATE SUPPLY SVC	155						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (8)-MISC PROJ $100-$400,000										
VARIOUS STATIONS	FY1982 REQUEST	49,774				18,687	31,087			31,087
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET									
VARIOUS STATIONS	LESS FIN COMPLETED PROJECTS									
ALBANY, NY	RENOVATE WARD 4-C	225	225							
ALBANY, NY	RELOCATE ANAOMICAL LAB	377	25	341	5	6		11	6	
ALBANY, NY	RENOVATE NHCU 4A AND 4D	426	413	4	9			9		
ALBANY, NY	PRE-ENGINEERED METAL BLDG	378		24	340	14		354	14	
ALBUQUERQUE,NM	WARD MODIFICATIONS	320	320							
ALBUQUERQUE,NM	PATIENT ELEVATOR BLDG NO.3	218	217	1						
ALBUQUERQUE,NM	WARD 5 RENOVATION PHASE 2	460	26	419	10	5		15	5	
ALBUQUERQUE,NM	A/C PATIENT WARDS	237	208	4	25			25		
ALBUQUERQUE,NM	PSY WARD RENOVATION	255		241	14			14		
ALLEN PARK,MI	RENOVATE O/P PHARMACY	99	99							
ALLEN PARK,MI	CONVERT AUDITORIUM TO EDUCATIONAL SPACE	327	327							
ALLEN PARK,MI	ELIMATE ARCH BARRIERS	66	66							
ALLEN PARK,MI	EXPAND O/P	385	375	7	3			3		
ALLEN PARK,MI	RELOCATE AND EXPAND HEMODIALYSIS UNIT	422	396	24	2			2		
ALLEN PARK,MI	ENCLOSE AMBULANCE ENTRA	130					130	130	130	130
ALLEN PARK,MI	INSTALL SPRINKLER SYSTE	422	410	9	3			3		
ALLEN PARK,MI	RELOCATE SUPPLY SVC	155		148	5	2		7	2	

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (B)-MISC PROJ $100-$400,000								
ALLEN PARK,MI	RENOVATE CHEMISTRY LAB HISTORY LAB	25						
ALLEN PARK,MI	RENOVATE OFFICE AND EDUCATION SPACE	25						
ALLEN PARK,MI	INSTALL SPRINKLER SYSTEM	129						
ALTOONA,PA	CONSTRUCT DECONTAMINATION AREA	206						
ALTOONA,PA	ADDITIONAL SMOKE BARRIERS	159						
ALTOONA,PA	MED GAS RENOVATE WARD 4	421						
AMERICAN LAKE,WA	CANTEEN RELOCATION	419						
AMERICAN LAKE,WA	UPDATE FIRE ALARM SYSTEM	413						
AMERICAN LAKE,WA	RENOVATE WARD 81C PATIENT PRIVACY	420						
AMERICAN LAKE,WA	CLINICAL AGING CENTER	230						
AMERICAN LAKE,WA	EXPAND CLINICAL LAB	215						
AMERICAN LAKE,WA	REMODEL PHARMACY BLDG	342						
AMERICAN LAKE,WA	RENOVATE WARD 4	296						
AMERICAN LAKE,WA	CANTEEN RELOCATION	350						
ANN ARBOR,MI	MEDICAL ICU	479						
ANN ARBOR,MI	CORONARY CARE UNIT	479						
ANN ARBOR,MI	REMODEL O/P BLDG. NO.1	421						
ASHEVILLE(OTEEN),NC	EXPAND CANTEEN STORAGE AND OFFICES	139						
ASHEVILLE(OTEEN),NC	ADDITIONAL ELEVATOR BLDG	275						
ASHEVILLE(OTEEN),NC	LEARNING LAB AND EDUCATION CENTER	438						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	OBLIGATIONS ACTUAL FOR 1980	OBLIGATIONS ESTIMATED FOR 1981	OBLIGATIONS ESTIMATED FOR 1982	OBLIGATIONS ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (B)-MISC PROJ $100-$400,000										
ALLEN PARK,MI	RENOVATE CHEMISTRY LAB HISTORY LAB	25		17	8			8		
ALLEN PARK,MI	RENOVATE OFFICE AND EDUCATION SPACE	25		13		12		12	12	
ALLEN PARK,MI	INSTALL SPRINKLER SYSTE	129		125		4		4	4	
ALTOONA,PA	CONSTRUCT DECANTAMINALI AREA	206	202		4			4		
ALTOONA,PA	ADDITIONAL SMOKE BARRIE	159	130		29			29		
ALTOONA,PA	MED GAS RENOVATE WARD 4	421		410	5	6		11	6	
AMERICAN LAKE,WA	CANTEEN RELOCATION	419	408	9	2			2		
AMERICAN LAKE,WA	UPDATE FIRE ALARM SYSTEM	413	384	23	6			6		
AMERICAN LAKE,WA	RENOVATE WARD 81C PATIE PRIVACY	420	407	12	1			1		
AMERICAN LAKE,WA	CLINICAL AGING CENTER	230	223	6	1			1		
AMERICAN LAKE,WA	EXPAND CLINICAL LAB	215	207	7	1			1		
AMERICAN LAKE,WA	REMODEL PHARMACY BLDG	342		26	295	21		316	21	
AMERICAN LAKE,WA	RENOVATE WARD 4	296		290	6			6		
AMERICAN LAKE,WA	CANTEEN RELOCATION	350		336	10	4		14	4	
ANN ARBOR,MI	MEDICAL ICU	479	401	23	55			55		
ANN ARBOR,MI	CORONARY CARE UNIT	479	401	23	55			55		
ANN ARBOR,MI	REMODEL O/P BLDG. NO.1	421	15	342	64			64		
ASHEVILLE(OTEEN),NC	EXPAND CANTEEN STORAGE AND OFFICES	139	139							
ASHEVILLE(OTEEN),NC	ADDITIONAL ELEVATOR BLD	275	267		8			8		
ASHEVILLE(OTEEN),NC	LEARNING LAB AND EDUCATION CENTER	438	425	-1	14			14		

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

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($000)

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OTHER IMPR (B)-MISC PROJ $100-$400,000								
ASHEVILLE(OTEEN),NC	ENERGY RETROFIT	422						
ASHEVILLE(OTEEN),NC	ALTERATIONS MULTIPURPOSE ROOM	173						
ATLANTA (DECATUR), GA	EDUCATION SPACE	440						
AUGUSTA(LD),GA	ACCOMODATION FOR THE PHYSICALLY HANDICAPPEND	314						
AUGUSTA(LD),GA	LAUNDRY ADDITION BLDG NO.95	432						
AUGUSTA(LD),GA	ANIMAL CARE FACILITY	343						
AUGUSTA(LD),GA	INSTALL AUTOMATIC EXIT AND EMERGENCY LIGHTS	270						
BALTIMORE,MD	UPDATE FIRE ALARM SYSTEM	223						
BATAVIA,NY	STEAM HEAT CANCELLED RECOVERY BOILER	12						
BATH,NY	INSTALL THERMAL INSULATION	132						
BATH,NY	RETROFIT HEATING VENT SYS BLDG NO.92	303						
BATTLE CREEK,MI	PATIENT PRIVACY	279						
BATTLE CREEK,MI	ENERGY CONVERSATION	226						
BATTLE CREEK,MI	OPC RENOVATION	163						
BATTLE CREEK,MI	PATIENT PRIVACY RENOVATION	336						
BAY PINES,FL	SPRINKLER SYSTEM	190						
BEDFORD,MA	EXTEND LAUNDRY BLDG NO.19	87						
BEDFORD,MA	SUPPLY PAD AREA BLDG.NO.78	227						
BEDFORD,MA	PATINET PRIVACY BLDG. NO.2	440						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

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($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	OBLIGATIONS ACTUAL FOR 1980	OBLIGATIONS ESTIMATED FOR 1981	OBLIGATIONS ESTIMATED FOR 1982	OBLIGATIONS ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (B)-MISC PROJ $100-$400,000										
ASHEVILLE(OTEEN),NC	ENERGY RETROFIT	422	410	-7	19			19		
ASHEVILLE(OTEEN),NC	ALTERATIONS MULTIPURPOS ROOM	173		168	5			5		
ATLANTA (DECATUR), GA	EDUCATION SPACE	440	429		11			11		
AUGUSTA(LD),GA	ACCOMODATION FOR THE PHYSICALLY HANDICAPPEND	314	310		4			4		
AUGUSTA(LD),GA	LAUNDRY ADDITION BLDG NO.95	432	26		325	75	6	406	81	6
AUGUSTA(LD),GA	ANIMAL CARE FACILITY	343	20	317	6			6		
AUGUSTA(LD),GA	INSTALL AUTOMATIC EXIT AND EMERGENCY LIGHTS	270	263	3	4			4		
BALTIMORE,MD	UPDATE FIRE ALARM SYSTE	223	213	7	3			3		
BATAVIA,NY	STEAM HEAT CANCELLED RECOVERY BOILER	12	11	-3	4			4		
BATH,NY	INSTALL THERMAL INSULATION	132	138	-6						
BATH,NY	RETROFIT HEATING VENT SYS BLDG NO.92	303	295	1	7			7		
BATTLE CREEK,MI	PATIENT PRIVACY	279	279							
BATTLE CREEK,MI	ENERGY CONVERSATION	226	219	-2	9			9		
BATTLE CREEK,MI	OPC RENOVATION	163		8	125	30		155	30	
BATTLE CREEK,MI	PATIENT PRIVACY RENOVATION	336			285	51		336	51	
BAY PINES,FL	SPRINKLER SYSTEM	190		181	5	4		9	4	
BEDFORD,MA	EXTEND LAUNDRY BLDG NO.19	87	87							
BEDFORD,MA	SUPPLY PAD AREA BLDG.NO.78	227	224	3						
BEDFORD,MA	PATINET PRIVACY BLDG. NO.2	440		428	5	7		12	7	

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (B)-MISC PROJ $100-$400,000								
BIG SPRING,TX	6 BED SURGICAL ICU	135						
BIG SPRING,TX	RENOVATE LABORATORY 2ND FLOOR	201						
BIG SPRING,TX	UPGRADE FIRE ALARM SYSTEM	25						
BIG SPRING,TX	RELOCATE AND EXPAND DENTAL	373						
BIG SPRING,TX	PATIENT PRIVACY	384						
BILOXI(BO),MS	INSTALL SOLAR WINDOWS	141						
BILOXI(BO),MS	6 BED SURGICAL ICU	165						
BIRMINGHAM,AL	UPDATE WARD 8	308						
BIRMINGHAM,AL	OPEN HEART SURGERY RENOVATION FOR O/P STAT LAB	142						
BOSTON,MA	CARDIAC CATH LAB	98						
BOSTON,MA	LABORATORY RENOVATIONS	448						
BROCKTON,MA	EMERGENCY GENERATOR	253						
BROCKTON,MA	MODERNIZE BLDG NO.4 2ND FLOOR	344						
BROCKTON,MA	INSTALL FIRE ALARM SYSTEM	365						
BROCKTON,MA	CONSOLIDATE RESEARCH ACTIVITY	365						
BRONX,NY	O/P SUBSTANCE ABUSE PROGRAM CL	168						
BROOKLYN,NY	INSTALL X-RAY	223						
BROOKLYN,NY	CANTEEN RENOVATION	27						
BROOKLYN,NY	ELECTROMAGNETIC DOOR HOLDERS	434						
BUFFALO,NY	RENOVATE SURGERY	171						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	1981	1982
OTHER IMPR (8)-MISC PROJ $100-$400,000										
BIG SPRING,TX	6 BED SURGICAL ICU	135	135							
BIG SPRING,TX	RENOVATE LABORATORY 2ND FLOOR	201	193		8			8		
BIG SPRING,TX	UPGRADE FIRE ALARM SYSTEM	25	25							
BIG SPRING,TX	RELOCATE AND EXPAND DENTAL	373		361	5	7		12	7	
BIG SPRING,TX	PATIENT PRIVACY	384		365	10	9		19	9	
BILOXI(BO),MS	INSTALL SOLAR WINDOWS	141		137	4			4		
BILOXI(BO),MS	6 BED SURGICAL ICU	165	166	-1						
BIRMINGHAM,AL	UPDATE WARD 8 OPEN HEART SURGERY	308	298	10						
BIRMINGHAM,AL	RENOVATION FOR O/P STAT LAB	142	141	1						
BOSTON,MA	CARDIAC CATH LAB	98	97		1			1		
BOSTON,MA	LABORATORY RENOVATIONS	448	418	12	18			18		
BROCKTON,MA	EMERGENCY GENERATOR	253	253							
BROCKTON,MA	MODERNIZE BLDG NO.4 2ND FLOOR	344	338	-1	7			7		
BROCKTON,MA	INSTALL FIRE ALARM SYST	365	355	10						
BROCKTON,MA	CONSOLIDATE RESEARCH ACTIVITY	365		355	5	5		10	5	
BRONX,NY	O/P SUBSTANCE ABUSE PROGRAM CL	168			160	5	3	168	8	3
BROOKLYN,NY	INSTALL X-RAY	223	210	12	1			1		
BROOKLYN,NY	CANTEEN RENOVATION	27	27							
BROOKLYN,NY	ELECTROMAGNETIC DOOR HOLDERS	434		422	12			12		
BUFFALO,NY	RENOVATE SURGERY	171	171							

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND DF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (8)-MISC PROJ $100-$400,000								
BUFFALO,NY	SUB-DIVIDE 16-BED WARD ROOMS	337						
BUFFALO,NY	MEDICAL ICU	270						
BUFFALO,NY	RELOCATE AND EXPAND SICU	410						
BUFFALO,NY	ADDITIONAL PARKING AREA	74						
BUFFALO,NY	16 BED WARD RMS PHASE III	406						
BUTLER,PA	REMODEL RADIOLOGY 5TH FLOOR	200						
BUTLER,PA	DAMPERS SMOKE BARRIER PARTITIONS	124						
BUTLER,PA	REMODEL NUCLEAR MED SERVICE	264						
CANANDAIGUA,NY	HEAT RECOVERY	20						
CANANDAIGUA,NY	OPC RENOVATION	174						
CANANDAIGUA,NY	INSTALL FIRE DAMPERS	100						
CANANDAIGUA,NY	INSTALL EMERGENCY GENERATOR	335						
CASTLE POINT,NY	BIOENGINEERING EVALUATION LAB	400						
CHARLESTON,SC	CONSTRUCT MOD ANIMAL HOUSING	238						
CHARLESTON,SC	RENOVATE RADIOLOGY	78						
CHARLESTON,SC	REMODEL PSYCH WARD	264						
CHARLESTON,SC	PATIENT PRIVACY WARDS 3A AND 4A	33						
CHARLESTON,SC	PATIENT PRIVACY WARDS 3B AND 4B	30						
CHICAGO(LAKESIDE),IL	MODERNIZE PATIENT WARD	423						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	OBLIGATIONS ACTUAL FOR 1980	OBLIGATIONS ESTIMATED FOR 1981	OBLIGATIONS ESTIMATED FOR 1982	OBLIGATIONS ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (B)-MISC PROJ $100-$400,000										
BUFFALO,NY	SUB-DIVIDE 16-BED WARD ROOMS	337	330	1	6			6		
BUFFALO,NY	MEDICAL ICU	270	270							
BUFFALO,NY	RELOCATE AND EXPAND SIC	410	398	-2	14			14		
BUFFALO,NY	ADDITIONAL PARKING AREA	74	75	-1						
BUFFALO,NY	16 BED WARD RMS PHASE III	406		24	20	340	22	382	362	22
BUTLER,PA	REMODEL RADIOLOGY 5TH FLOOR	200	194	3	3			3		
BUTLER,PA	DAMPERS SMOKE BARRIER PARTITIONS	124		120	4			4		
BUTLER,PA	REMODEL NUCLEAR MED SERVICE	264		253	5	6		11	6	
CANANDAIGUA,NY	HEAT RECOVERY	20	17	3						
CANANDAIGUA,NY	OPC RENOVATION	174		169	5			5		
CANANDAIGUA,NY	INSTALL FIRE DAMPERS	100		97	3			3		
CANANDAIGUA,NY	INSTALL EMERGENCY GENERATOR	335			15	305	15	335	320	15
CASTLE POINT,NY	BIOENGINEERING EVALUATI LAB	400	18	373	9			9		
CHARLESTON,SC	CONSTRUCT MOD ANIMAL HOUSING	238	238							
CHARLESTON,SC	RENOVATE RADIOLOGY	78	76	2						
CHARLESTON,SC	REMODEL PSYCH WARD	264		18	245	1		246	1	
CHARLESTON,SC	PATIENT PRIVACY WARDS 3A AND 4A	33		19	14			14		
CHARLESTON,SC	PATIENT PRIVACY WARDS 3B AND 4B	30		16		14		14	14	
CHICAGO(LAKESIDE),IL	MODERNIZE PATIENT WARD	423	399	18	6			6		

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND DF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (8)-MISC PROJ $100-$400,000								
CHICAGO(LAKESIDE),IL	REMODEL FLOORS 7 AND 8	432						
CHICAGO(WS),IL	HEMODIALYSIS WARD	254						
CHICAGO(WS),IL	REMODEL NURSING STATION	348						
CHILLICOTHE,OH	REMODEL WCS CANTEEN BLDG. NO 28	386						
CINCINNATI,OH	REMODEL MAIN KITCHEN BLDG.NO.1	414						
CINCINNATI(CO),OH	REMODEL MAIN ENTRANCE BLDG 1	123						
CINCINNATI(FITH),OH	DEADEND STAIRWELL	192						
CINCINNATI(FITH),OH	PORCH ENCLOSURE AND LOADING DOCK	124						
CLARKSBURG,WV	EDUCATION AND TRAINING CLASSROOM	118						
CLARKSBURG,WV	REMODEL WARD 8	394						
CLEVELAND,OH	CONVERT WARD 33 TO PSYCH	238						
CLEVELAND(BRECKSVLE),OH	RELOCATE DENTAL	130						
CLEVELAND(BRECKSVLE),OH	ADDITONAL FUEL OIL STORAGE	292						
CLEVELAND(WADE PARK),OH	RELOCATE PHARMACY TO 8-2	398						
CLEVELAND(WADE PARK),OH	EXPAND HEMODIALYSIS 4 BEDS	173						
CLEVELAND(WADE PARK),OH	ANIMAL RESEARCH FACILITY ADDITION	393						
COLUMBIA,SC	ADDITION AND RENOVATION BLDG.NO.20	256						
DALLAS,TX	RELOCATE REHAB MEDICINE	271						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	OBLIGATIONS ACTUAL FOR 1980	OBLIGATIONS ESTIMATED FOR 1981	OBLIGATIONS ESTIMATED FOR 1982	OBLIGATIONS ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (B)-MISC PROJ $100-$400,000										
CHICAGO(LAKESIDE),IL	REMODEL FLOORS 7 AND 8	432	396	18	18			18		
CHICAGO(WS),IL	HEMODIALYSIS WARD	254	227	26	1			1		
CHICAGO(WS),IL	REMODEL NURSING STATION	348	338		10			10		
CHILLICOTHE,OH	REMODEL VCS CANTEEN BLDG. NO 26	386	322	62	2			2		
CINCINNATI,OH	REMODEL MAIN KITCHEN BLDG.NO.1	414	399	9	6			6		
CINCINNATI(CO),OH	REMODEL MAIN ENTRANCE BLDG 1	123		120	3			3		
CINCINNATI(FTTH),OH	DEADEND STAIRWELL	192	192							
CINCINNATI(FTTH),OH	PORCH ENCLOSURE AND LOADING DOCK	124	124							
CLARKSBURG,WV	EDUCATION AND TRAINING CLASSROOM	118	115		3			3		
CLARKSBURG,WV	REMODEL WARD 8	394	383	-6	17			17		
CLEVELAND,OH	CONVERT WARD 33 TO PSYC	238		23	180	35		215	35	
CLEVELAND(BRECKSVLE),OH	RELOCATE DENTAL	130	128	2						
CLEVELAND(BRECKSVLE),OH	ADDITONAL FUEL OIL STORAGE	292	284	7	1			1		
CLEVELAND(WADE PARK),OH	RELOCATE PHARMACY TO 8-2	398		24	330	20	24	374	44	24
CLEVELAND(WADE PARK),OH	EXPAND HEMODIALYSIS 4 BEDS	173	168		5			5		
CLEVELAND(WADE PARK),OH	ANIMAL RESEARCH FACILITY ADDITION	393		374	19			19		
COLUMBIA,SC	ADDITION AND RENOVATION BLDG.NO.20	256	245	9	2			2		
DALLAS,TX	RELOCATE REHAB MEDICINE	271	212	-1	60			60		

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (B)-MISC PROJ $100-$400,000								
DALLAS,TX	EXPAND RADIOLOGY	447						
DALLAS,TX	SMOKE DOOR CLOSERS	380						
DALLAS,TX	RENOVATE BLDG. NO.1	357						
DALLAS,TX	WHEELCHAIR RAMP MAINENT.	370						
DALLAS,TX	RELOCATE MEDICAL WARDS	400						
DANVILLE,IL	CENTRAL TRAY AND DISHWASHING SVC B104	268						
DAYTON,OH	RENOVATE NHC UNIT BLDG. NO.410	410						
DAYTON,OH	EMERGENCY GENERATOR	174						
DENVER,CO	REMODEL 7TH FLOOR PSY WARD	261						
DES MOINES,IA	RELOC PAD TO BASEMENT BLDG NO.2	253						
DES MOINES,IA	INSTALL ELEVATOR BLDG.NO.2	110						
DES MOINES,IA	INSULATE ROOFS BLDG. 2 AND 8	127						
DES MOINES,IA	ELIMINATE BARRIERS HANDICAP	272						
DES MOINES,IA	RENOVATE AND MOD SICU BLDG.NO.1	130						
DUBLIN,GA	EMERGENCY POWER	250						
DUBLIN,GA	PHARMACY RELOCATION AND RECREATION TO 7A	294						
DURHAM,NC	WAREHOUSE ADDN BLDG.NO.1	256						
DURHAM,NC	RESEARCH BLDG. NO.4	378						
DURHAM,NC	RENOVATE 3C DIALYSIS	286						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	OBLIGATIONS ACTUAL FOR 1980	OBLIGATIONS ESTIMATED FOR 1981	OBLIGATIONS ESTIMATED FOR 1982	OBLIGATIONS ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (8)-MISC PROJ $100-$400,000										
DALLAS,TX	EXPAND RADIOLOGY	447	100	275	72			72		
DALLAS,TX	SMOKE DOOR CLOSERS	380	23	154	203			203		
DALLAS,TX	RENOVATE BLDG. NO.1	357		160	197			197		
DALLAS,TX	WHEELCHAIR RAMP MAINENT.	370	359	6	5			5		
DALLAS,TX	RELOCATE MEDICAL WARDS	400				400			400	
DANVILLE,IL	CENTRAL TRAY AND DISHWASHING SVC B104	268	260	5	3			3		
DAYTON,OH	RENOVATE NHC UNIT BLDG. NO.410	410	237	149	24			24		
DAYTON,OH	EMERGENCY GENERATOR	174	9	159	6			6		
DENVER,CO	REMODEL 7TH FLOOR PSY WARD	261	260	1						
DES MOINES,IA	RELOC PAD TO BASEMENT BLDG NO.2	253	254	-1						
DES MOINES,IA	INSTALL ELEVATOR BLDG.NO.2	110	107	1	2			2		
DES MOINES,IA	INSULATE ROOFS BLDG. 2 AND 8	127		122	5			5		
DES MOINES,IA	ELIMINATE BARRIERS HANDICAP	272		264	5	3		8	3	
	RENOVATE AND MOD SICU BLDG.NO.1	130		126	4			4		
DUBLIN,GA	EMERGENCY POWER	250	234		15	1		16	1	
DUBLIN,GA	PHARMACY RELOCATION AND RECREATION TO 7A	294	17	269	8			8		
DURHAM,NC	WAREHOUSE ADDN BLDG.NO.	256	266	-10						
DURHAM,NC	RESEARCH BLDG. NO.4	378	92	257	29			29		
DURHAM,NC	RENOVATE 3C DIALYSIS	286		268	10	8		18	8	

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

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OTHER IMPR (B)-MISC PROJ $100-$400,000								
EAST ORANGE,NJ	RADIATION THERAPY SIMULATOR	87						
ERIE,PA	DIETITIC KITCHEN ALTERATIONS	226						
ERIE,PA	PATIENT PRIVACY WARDS 3 AND 5	165						
ERIE,PA	SURGICAL SUITE RENOVATION	310						
FAYETTEVILLE,AK	PATIENT PRIVACY WARD 1A	30						
FAYETTEVILLE,NC	RELOCATE PHARMACY	109						
FORT HARRISON,MT	TEMPERATURE CONTROL	146						
FORT HARRISON,MT	INSTALL CAMPERS B-154	80						
FORT HARRISON,MT	CORRECT NFPA/JCAH DEFICIENCIES	269						
FORT LYON,CO	WATER TREATMENT PLANT	204						
FORT LYON,CO	RENOVATE PATIENT AREAS BLDG.NO.7	400						
FORT LYON,CO	RELOCATE LABORATORY	373						
FORT LYON,CO	AUTOMATIC DOOR CLOSERS	190						
FORT MEADE,SD	EXPAND O/P CLINIC	284						
FORT MEADE,SD	RELOCATE PAD	195						
FORT MEADE,SD	REMODEL 2RD AND 3RD FLOOR BLDG NO.145	439						
FORT WAYNE, IN	REALIGN SPACE FOR BED WARD	136						
FORT WAYNE, IN	RELOCATE RCU LAB AND XRAY	452						
FRESNO,CA	EXPAND UPDATE RADIOLOGY	358						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	OBLIGATIONS ACTUAL FOR 1980	OBLIGATIONS ESTIMATED FOR 1981	OBLIGATIONS ESTIMATED FOR 1982	OBLIGATIONS ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (B)-MISC PROJ $100-$400,000										
EAST ORANGE,NJ	RADIATION THERAPY SIMULATOR	87		82	5			5		
ERIE,PA	DIETITIC KITCHEN ALTERATIONS	226	181	36	9			9		
ERIE,PA	PATIENT PRIVACY WARDS 3 AND 5	165			160	5		165	5	
ERIE,PA	SURGICAL SUITE RENOVATION	310		23	265	22		287	22	
FAYETTEVILLE,AK	PATIENT PRIVACY WARD 1A	30			30					
FAYETTEVILLE,NC	RELOCATE PHARMACY	109	108		1			1		
FORT HARRISON,MT	TEMPERATURE CONTROL	146	146							
FORT HARRISON,MT	INSTALL DAMPERS B-154	80		76	4			4		
FORT HARRISON,MT	CORRECT NFPA/JCAH DEFICIENCIES	269		260	5	4		9	4	
FORT LYON,CO	WATER TREATMENT PLANT	204	204							
FORT LYON,CO	RENOVATE PATIENT AREAS BLDG.NO.7	400	328	39	33			33		
FORT LYON,CO	RELOCATE LABORATORY	373	23	337	13			13		
FORT LYON,CO	AUTOMATIC DOOR CLOSERS	190	183	5	2			2		
FORT MEADE,SD	EXPAND O/P CLINIC	284	284							
FORT MEADE,SD	RELOCATE PAD	195	195							
FORT MEADE,SD	REMODEL 2RD AND 3RD FLOOR BLDG NO.145	439	424	14	1			1		
FORT WAYNE, IN	REALIGN SPACE FOR BED WARD	136	13		120	3		123	3	
FORT WAYNE, IN	RELOCATE RCU LAB AND XRAY	452		24	350	78		428	78	
FRESNO,CA	EXPAND UPDATE RADIOLOG	358	358							

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND DF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (8)-MISC PROJ $100-$400,000								
FRESNO,CA	ACHOL TREATMENT UNIT	248						
FRESNO,CA	RECIRCULATE AIR	18						
GAINESVILLE,FL	RESEARCH LAB	195						
GAINESVILLE,FL	FREEZER WALK-IN BOXES							
	DIETETIC SERVICE	163						
GRAND ISLAND,NB	REMODEL CL LAB AND							
	DENTAL SERVICE	239						
GRAND JUNCTION,CO	REMODEL WD 5E							
	BLDG.NO.1	455						
GRAND JUNCTION,CO	RELOCATE RECOVERY AND							
	ICU	455						
GRAND JUNCTION,CO	RELOCATE SPD	363						
GRAND JUNCTION,CO	REMODEL WARD 3E	445						
HAMPTON,VA	ENERGY CONSERVATION							
	MODIFICATION	316						
HAMPTON,VA	CONVERT 2E BLDG 210							
	TO NUCLEAR MED	211						
HINES(VAH),IL	ACUTE ANIMAL RESEARCH							
	FACILITY	322						
HINES(VAH),IL	RESEARCH REHAB.CENTER	405						
HINES(VAH),IL	ALTERATIONS FOR RENAL AND							
	HYPERTENSION SECTION	453						
HINES(VAH),IL	SUN DECK ENCLOSURE SCI	423						
HOT SPRINGS,SD	SITE ACQUISITION	18						
HOUSTON,TX	SMOKE BARRIERS	205						
HOUSTON,TX	REMODEL 2ND 3RD							
	FLOORS BLDG NO.7	369						
HOUSTON,TX	MODERNIZE CANTEEN	453						
HUNTINGTON,WV	ANIMAL RESEARCH FACILITY	368						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (B)-MISC PROJ $100-$400,000										
FRESNO,CA	ACHOL TREATMENT UNIT	248	8	237	3			3		
FRESNO,CA	RECIRCULATE AIR	18	19	-1						
GAINESVILLE,FL	RESEARCH LAB	195	195							
GAINESVILLE,FL	FREEZER WALK-IN BOXES DIETETIC SERVICE	163	158		5			5		
GRAND ISLAND,NB	REMODEL CL LAB AND DENTAL SERVICE	239	233	1	5			5		
GRAND JUNCTION,CO	REMODEL WD 5E BLDG.NO.1	455	26	418	11			11		
GRAND JUNCTION,CO	RELOCATE RECOVERY AND ICU	455	26	415	14			14		
GRAND JUNCTION,CO	RELOCATE SPD	363		353	10			10		
GRAND JUNCTION,CO	REMODEL WARD 3E	445		30	345	70		415	70	
HAMPTON,VA	ENERGY CONSERVATION MODIFICATION	318	306		12			12		
HAMPTON,VA	CONVERT 2E BLDG 210 TO NUCLEAR MED	211		205	5	1		6	1	
HINES(VAH),IL	ACUTE ANIMAL RESEARCH FACILITY	322	322							
HINES(VAH),IL	RESEARCH REHAB.CENTER	405	392	4	9			9		
HINES(VAH),IL	ALTERATIONS FOR RENAL & HYPERTENSION SECTION	453	439	4	10			10		
HINES(VAH),IL	SUN DECK ENCLOSURE SCI	423	409	1	13			13		
HOT SPRINGS,SD	SITE ACQUISITION	18		18						
HOUSTON,TX	SMOKE BARRIERS	205	199	3	3			3		
HOUSTON,TX	REMODEL 2ND 3RD FLOORS BLDG NO.7	369	326	37	6			6		
HOUSTON,TX	MODERNIZE CANTEEN	453		339	55	59		114	59	
HUNTINGTON,WV	ANIMAL RESEARCH FACILIT	368	354	13	1			1		

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND DF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (8)-MISC PROJ $100-$400,000								
INDIANAPOLIS,IN	MOD SPD WARDS	275						
INDIANAPOLIS,IN	RELOCATE CCU MICU AND ESTABLISH RCC	322						
INDIANAPOLIS,IN	UPGRADE SICU	18						
INDIANAPOLIS,IN	MODERINIZE WARD 8-1	247						
IOWA CITY,IA	DEADEND CORRIDOR STAIRS	270						
IOWA CITY,IA	SURGICAL RESEARCH 4TH FLOOR	144						
IOWA CITY,IA	EMERGENCY GENERATOR	165						
IOWA CITY,IA	INSTALL HEAT RECOVERY SYSTEM	150						
JACKSON,MS	HEMODIALYSIS CENTER	147						
JACKSON,MS	LAB EXPANSION	434						
JACKSON,MS	INSTALL COMPUTERIZED SYS	286						
JACKSON,MS	RENOVATE 16 BED WARDS	110						
JACKSON,MS	WINDOW WELLS SICU	252						
KANSAS CITY,MO	RENOVATE PSYCHIATRIC WARDS FLOORS 910	289						
KANSAS CITY,MO	RELOCATE ROOMS	297						
KANSAS CITY,MO	ALCOHOL TREATMENT UNIT	186						
KANSAS CITY,MO	RELOCATE AND EXPAND DIGNOSTIC XRAY	412						
KERRVILLE,TX	ADDITIONAL EXITS TO SURGERY	266						
KERRVILLE,TX	EXPAND FIRE PROTECTION SYSTEM	329						
KERRVILLE,TX	TRASH CHUTES	206						
KNOXVILLE,IA	RELOCATE DENTAL SERVICE	261						
KNOXVILLE,IA	RELOCATE ADMIN OFFICE TO BLDG. NO.3	292						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (B)-MISC PROJ $100-$400,000										
INDIANAPOLIS,IN	MOD SPC WARDS	275	268	-1	8			8		
INDIANAPOLIS,IN	RELOCATE CCU MICU AND ESTABLISH RCC	322		36	275	11		286	11	
INDIANAPOLIS,IN	UPGRADE SICU	18			15	3		18	3	
INDIANAPOLIS,IN	MODERINIZE WARD B-1	247		234	13			13		
IOWA CITY,IA	DEADEND CORRIDOR STAIRS	270	266	-1	5			5		
IOWA CITY,IA	SURGICAL RESEARCH 4TH FLOOR	144	144							
IOWA CITY,IA	EMERGENCY GENERATOR	165	159		6			6		
IOWA CITY,IA	INSTALL HEAT RECOVERY SYSTEM	150		145	5			5		
JACKSON,MS	HEMODIALYSIS CENTER	147	141		6			6		
JACKSON,MS	LAB EXPANSION	434	420	2	12			12		
JACKSON,MS	INSTALL COMPUTERIZED SY	286	277	3	6			6		
JACKSON,MS	RENOVATE 16 BED WARDS	110	107	3						
JACKSON,MS	WINDOW WELLS SICU	252		16	215	21		236	21	
KANSAS CITY,MO	RENOVATE PSYCHIATRIC WARDS FLOORS 9&10	289	272	9	8			8		
KANSAS CITY,MO	RELOCATE ROOMS	297	289	5	3			3		
KANSAS CITY,MO	ALCOHOL TREATMENT UNIT	186	181	2	3			3		
KANSAS CITY,MO	RELOCATE AND EXPAND DIGNOSTIC XRAY	412		400	5	7		12	7	
KERRVILLE,TX	ADDITIONAL EXITS TO SURGERY	266	264	1	1			1		
KERRVILLE,TX	EXPAND FIRE PROTECTION SYSTEM	329		40	289			289		
KERRVILLE,TX	TRASH CHUTES	206		200	5	1		6	1	
KNOXVILLE,IA	RELOCATE DENTAL SERVICE	261	259	2						
KNOXVILLE,IA	RELOCATE ADMIN OFFICE TO BLDG. NO.3	292	290	1	1			1		

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND DF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (B)-MISC PROJ $100-$400,000								
LAKE CITY,FL	UPGRADE AGV SYSTEMS	223						
LAKE CITY,FL	CONSTRUCT LEARNING RESOUR BLDG.	357						
LEAVENWORTH,KS	WHEELCHAIR ACCESS	166						
LEAVENWORTH,KS	SMOKE DETECTION SYS	271						
LEBANON,PA	NURSE CALL SYSTEM BLDG NO.17	195						
LEXINGTON,KY	CORRECT SMOKE AND FIRE BARRIER	420						
LEXINGTON,KY	RENOVATE FIRST FLOOR B-2	258						
LITTLE ROCK,AK	ISOLATION ICU 2 BEDS	90						
LOMA LINDA, CA	O/P CLINIC EXPANSION	434						
LONG BEACH,CA	DENTAL CLINIC EXPANSION	445						
LONG BEACH,CA	NURSING EDUCATION SPACE	218						
LONG BEACH,CA	UPGRADE SURGICAL ICU	464						
LONG BEACH,CA	RELOCATE SPECIAL REF LAB	393						
LONG BEACH,CA	PATIENT PRIVACY BLDG.NO.122	272						
LONG BEACH,CA	EXPAND CL LAB SPACE	431						
LOS ANGELES,CA	DENTAL TRAINING CENTER	330						
LOS ANGELES,CA	ANEROBIC RES LAB	455						
LOS ANGELES,CA	ANIMAL RESEARCH FACILITY	126						
LOS ANGELES,CA	HOOD INSTALLATION CL LAB	153						
LOS ANGELES(BW),CA	EDUCATION BUILDING 158	339						
LOS ANGELES(BW),CA	ROOMS BLDG 208	97						
LOUISVILLE,KY	RELOCATE AND EXPAND CARDIC LAB	249						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (8)-MISC PROJ $100-$400,000										
LAKE CITY,FL	UPGRADE AOV SYSTEMS	223	216		7			7		
LAKE CITY,FL	CONSTRUCT LEARNING RESO BLDG.	357		347	5	5		10	5	
LEAVENWORTH,KS	WHEELCHAIR ACCESS	166		161	5			5		
LEAVENWORTH,KS	SMOKE DETECTION SYS	271		264	5	2		7	2	
LEBANON,PA	NURSE CALL SYSTEM BLDG NO.17	195	195							
LEXINGTON,KY	CORRECT SMOKE AND FIRE BARRIER	420		28	315	55	22	392	77	22
LEXINGTON,KY	RENOVATE FIRST FLOOR B-	258	250	8						
LITTLE ROCK,AK	ISOLATION ICU 2 BEDS	90	86	4						
LOMA LINDA, CA	O/P CLINIC EXPANSION	434		14	350	70		420	70	
LONG BEACH,CA	DENTAL CLINIC EXPANSION	445	374	53	18			18		
LONG BEACH,CA	NURSING EDUCATION SPACE	218	195	7	16			16		
LONG BEACH,CA	UPGRADE SURGICAL ICU	464	446	10	8			8		
LONG BEACH,CA	RELOCATE SPECIAL REF LAB	393	367	12	14			14		
LONG BEACH,CA	PATIENT PRIVACY BLDG.NO.122	272	265		7			7		
LONG BEACH,CA	EXPAND CL LAB SPACE	431		35	320	45	31	396	76	31
LOS ANGELES,CA	DENTAL TRAINING CENTER	330	330							
LOS ANGELES,CA	ANEROBIC RES LAB	455		31	345	60	19	424	79	19
LOS ANGELES,CA	ANIMAL RESEARCH FACILIT	126		122		4		4	4	
LOS ANGELES,CA	HOOD INSTALLATION CL LAB	153		149		4		4	4	
LOS ANGELES(BW),CA	EDUCATION BUILDING 158	339	321	18						
LOS ANGELES(BW),CA	ROOMS BLDG 208	97		89	8			8		
LOUISVILLE,KY	RELOCATE AND EXPAND CARDIC LAB	249	241	4	4			4		

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (B)-MISC PROJ $100-$400,000								
LOUISVILLE,KY	ANIMAL RESEARCH FACILITY EXPANSION BLDG NO.12	416						
LOUISVILLE,KY	RENOVATE O/P AND PSYCH SERVICE	304						
LYONS,NJ	4 BED CCU AND ICU	425						
LYONS,NJ	REMODEL FLOORS A AND B 8-7 CANCELLED	20						
LYONS,NJ	RENOVATE RADIOLOGY SVC BLDG.NO.1	295						
LYONS,NJ	EMERGENCY GENERATOR BLDG. 4 AND 54	363						
MADISON,WI	INSTALL STORM WINDOWS	138						
MADISON,WI	SMOKE PARTITION CORRECTION	385						
MADISON,WI	SPACE RELOCATION	376						
MANCHESTER,NH	REMODEL OR AREA	340						
MARION,IL	CANTEEN SVC FACILITY	448						
MARION,IN	REMODEL NURSING AND ADMIN AREAS	438						
MARION,IN	REMODEL BLDG.NO.12	371						
MARLIN,TX	SECONDARY ELECTRICAL UPGRADE	319						
MARLIN,TX	REALIGN STUDENT QUARTERS	239						
MARTINEZ,CA	UPDATE CATH LAB	301						
MARTINEZ,CA	RELOCATE CENTAL SVC	345						
MARTINEZ,CA	LAB EXPANSION AND RENOVATION	273						
MARTINEZ,CA	TEMPORARY RESEARCH BLDG.	414						
MEMPHIS,TN	LAND PURCHASES	275						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (8)-MISC PROJ $100-$400,000										
LOUISVILLE,KY	ANIMAL RESEARCH FACILIT EXPANSION BLDG NO.12	416	404	11	1			1		
LOUISVILLE,KY	RENOVATE O/P AND PSYCH SERVICE	304		8	280	16		296	16	
LYONS,NJ	4 BED CCU AND ICU	425	17	290	118			118		
LYONS,NJ	REMODEL FLOORS A AND B B-7 CANCELLED	20	25	-5						
LYONS,NJ	RENOVATE RADIOLOGY SVC BLDG.NO.1	295		286	5	4		9	4	
LYONS,NJ	EMERGENCY GENERATOR BLDG. 4 AND 54	363					363	363	363	363
MADISON,WI	INSTALL STORM WINDOWS	138	123	-3	18			18		
MADISON,WI	SMOKE PARTITION CORRECTION	385		22	325	38		363	38	
MADISON,WI	SPACE RELOCATION	376		274	30	40	32	102	72	32
MANCHESTER,NH	REMODEL OR AREA	340	314	26						
MARION,IL	CANTEEN SVC FACILITY	448		26	20	350	52	422	402	52
MARION,IN	REMODEL NURSING AND ADMIN AREAS	438	418	20						
MARION,IN	REMODEL BLDG.NO.12	371		367	4			4		
MARLIN,TX	SECONDARY ELECTRICAL UPGRADE	319	20	293	6			6		
MARLIN,TX	REALIGN STUDENT QUARTER	239	179	52	8			8		
MARTINEZ,CA	UPDATE CATH LAB	301	301							
MARTINEZ,CA	RELOCATE DENTAL SVC	345	309	15	21			21		
MARTINEZ,CA	LAB EXPANSION AND RENOVATION	273				230	43	273	273	43
MARTINEZ,CA	TEMPORARY RESEARCH BLDG	414		406	8			8		
MEMPHIS,TN	LAND PURCHASES	275		2	10	263		273	263	

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (8)-MISC PROJ $100-$400,000								
MEMPHIS,TN	SUPERVOLTAGE THERAPY CANCELLED	7						
MEMPHIS,TN	EXCAVATE UNDER MASCE SECTION	36						
MIAMI,FL	REARRANGE MAIN KITCHEN	262						
MIAMI,FL	CENTRALIZED RESPIRATORY CARE	141						
MILES CITY,MT	REMODEL AMBULATORY CARE AREA	222						
MINNEAPOLIS,MN	EXPAND AMBULATORY CARE UNIT	316						
MINNEAPOLIS,MN	REPLACEMENT MODULAR BLDG.	230						
MOUNTAIN HOME,TN	INSTALL INCINERATOR	335						
MOUNTAIN HOME,TN	EXCAVATE BASEMENT BLDG.NO.34	428						
MOUNTAIN HOME,TN	STAIR TOWER BLDGS. 70,71,74,76 AND 78	35						
MOUNTAIN HOME,TN	NEW 15 KW ELECTRICAL SERVICE	306						
MURFREESBORO,TN	RELOCATION OF SPD	182						
MURFREESBORO,TN	FIRE ALARM SYS AND SMOKE DOORS	421						
MURFREESBORO,TN	TELEPHONE EQUIPMENT ROOM ADDITION	175						
MUSKOGEE,OK	ENERGY SAVING SERVICES	280						
NASHVILLE,TN	4 BED CCU	96						
NASHVILLE,TN	CONSERVATION OF ENERGY	274						
NEW ORLEANS,LA	FIRE AND SAFETY DEFICIENCIES EXITS	420						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	OBLIGATIONS ACTUAL FOR 1980	OBLIGATIONS ESTIMATED FOR 1981	OBLIGATIONS ESTIMATED FOR 1982	OBLIGATIONS ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (B)-MISC PROJ $100-$400,000										
MEMPHIS,TN	SUPERVOLTAGE THERAPY CANCELLED	7	7							
MEMPHIS,TN	EXCAVATE UNDER MASCE SECTION	36		27	9			9		
MIAMI,FL	REARRANGE MAIN KITCHEN	262	244	18						
MIAMI,FL	CENTRALIZED RESPIRATORY CARE	141	142	-1						
MILES CITY,MT	REMODEL AMBULATORY CARE AREA	222	217	1	4			4		
MINNEAPOLIS,MN	EXPAND AMBULATORY CARE UNIT	316	316							
MINNEAPOLIS,MN	REPLACEMENT MODULAR BLDG.	230	224	4	2			2		
MOUNTAIN HOME,TN	INSTALL INCINERATOR	335	335							
MOUNTAIN HOME,TN	EXCAVATE BASEMENT BLDG.NO.34	428	416	12						
MOUNTAIN HOME,TN	STAIR TOWER BLDGS. 70,71,74,76 AND 78	35		24	11			11		
MOUNTAIN HOME,TN	NEW 15 KW ELECTRICAL SERVICE	306		17	265	24		289	24	
MURFREESBORO,TN	RELOCATION OF SPD	182	182							
MURFREESBORO,TN	FIRE ALARM SYS AND SMOKE DOORS	421	412		9			9		
MURFREESBORO,TN	TELEPHONE EQUIPMENT ROOM ADDITION	175		14	155	6		161	6	
MUSKOGEE,OK	ENERGY SAVING SERVICES	280	19	252	9			9		
NASHVILLE,TN	4 BED CCU	96	96							
NASHVILLE,TN	CONSERVATION OF ENERGY	274		266	8			8		
NEW ORLEANS,LA	FIRE AND SAFETY DEFICIENCIES EXITS	420	15	385	20			20		

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

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($000)

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OTHER IMPR (8)-MISC PRCJ $100-$400,000								
NEW ORLEANS,LA	RELOCATE PHARMACY	12						
NEW ORLEANS,LA	LINEN SVC RELOCATION CANCELLED	11						
NEW ORLEANS,LA	RENOVATE PAD	187						
NEW ORLEANS,LA	INSTALL SHADESCREENS	245						
NEW ORLEANS,LA	TEMPORARY SPACE FOR RESEARCH	93						
NEW ORLEANS,LA	RENOVATE EKG AND CARDIAC CATH.	185						
NEW YORK,NY	INSTALL STORM WINDOW	132						
NEWINGTON,CT	ANIMAL CARE FACILITY	435						
NEWINGTON,CT	LEARNING RESOURCE FACILITY 2ND AND 3RD FL	427						
NORTH CHICAGO(DOWNEY),IL	CENTRAL HVAC CONTROL	179						
NORTH CHICAGO(DOWNEY),IL	6 BED SICU	346						
NORTH CHICAGO(DOWNEY),IL	RELOCATE SPD	269						
NORTH CHICAGO(DOWNEY),IL	SURGICAL SUITE RENOVATION	439						
NORTH CHICAGO(DOWNEY),IL	ANIMAL RESEARCH FACILITY	459						
NORTHAMPTON,MA	EMERGENCY LIGHT CIRCUITS	284						
NORTHAMPTON,MA	IMPROVE PATIENT ENVIRONMENT WARD 3	428						
NORTHPORT,NY	RENOVATE B-5 EDUCATION	404						
NORTHPORT,NY	RENOVATE EAST WING BLDG.NO.61	412						
NORTHPORT,NY	REPLACE SMOKE BARRIER DOORS	404						
OKLAHOMA CITY,OK	FIRE BARRIER PROTECTION BLDG.NO.19	184						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)

($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	OBLIGATIONS ACTUAL FOR 1980	OBLIGATIONS ESTIMATED FOR 1981	OBLIGATIONS ESTIMATED FOR 1982	OBLIGATIONS ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (8)-MISC PROJ $100-$400,000										
NEW ORLEANS,LA	RELOCATE PHARMACY	12	12	-9	9			9		
NEW ORLEANS,LA	LINEN SVC RELOCATION CANCELLED	11	11							
NEW ORLEANS,LA	RENOVATE PAD	187	180	6	1			1		
NEW ORLEANS,LA	INSTALL SHADESCREENS	245		239	6			6		
NEW ORLEANS,LA	TEMPORARY SPACE FOR RESEARCH	93	86	4	3			3		
NEW ORLEANS,LA	RENOVATE EKG AND CARDIAC CATH.	185		11	145	29		174	29	
NEW YORK,NY	INSTALL STORM WINDOW	132	129		3			3		
NEWINGTON,CT	ANIMAL CARE FACILITY	435	33	388	14			14		
NEWINGTON,CT	LEARNING RESOURCE FACILITY 2ND AND 3RD FL	427	401	14	12			12		
NORTH CHICAGO(DOWNEY),I	CENTRAL HVAC CONTROL	179	175	1	3			3		
NORTH CHICAGO(DOWNEY),I	6 BED SICU	346	342	4						
NORTH CHICAGO(DOWNEY),I	RELOCATE SPD	269	262	3	4			4		
NORTH CHICAGO(DOWNEY),I	SURGICAL SUITE RENOVATION	439	427	1	11			11		
NORTH CHICAGO(DOWNEY),I	ANIMAL RESEARCH FACILIT	459		448	5	6		11	6	
NORTHAMPTON,MA	EMERGENCY LIGHT CIRCUITS	284	284							
NORTHAMPTON,MA	IMPROVE PATIENT ENVIRONMENT WARD 3	428	413		15			15		
NORTHPORT,NY	RENOVATE B-5 EDUCATION	404		392	12			12		
NORTHPORT,NY	RENOVATE EAST WING BLDG.NO.61	412		400	5	7		12	7	
NORTHPORT,NY	REPLACE SMOKE BARRIER DOORS	404			340	64		404	64	
OKLAHOMA CITY,OK	FIRE BARRIER PROTECTION BLDG.NO.19	104		100	4			4		

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (8)-MISC PROJ $100-$400,000								
OKLAHOMA CITY,OK	PURCHASE PROPERTY FOR PARKING	400						
OMAHA,NB	ANIMAL RESEARCH FACILITY NEW BLDG	459						
OMAHA,NB	HEAT RECOVERY SYS BLDG 1 AND 15	292						
OMAHA,NB	RENOVATE LAUNDRY FAC BLDG.NO.9	397						
PALO ALTO(PAO),CA	PHARMACY RELOCATION							
PALO ALTO(PAO),CA	RADIO. EXPANSION	394						
PALO ALTO(PAO),CA	REHAB ENGINEERING RESEARCH CENTER	398						
PALO ALTO(PAO),CA	IMPROVE RADIOLOGY PH II	348						
PALO ALTO(PAO),CA	MODERNIZE BLDG. FOR ADMINISTRATION	326						
PERRY POINT,MD	ADDITIONAL FUEL STORAGE TANKS	348						
PERRY POINT,MD	FOUR ADDITIONAL ELEVATORS	402						
PERRY POINT,MD	RENOVATE 24 FL TO INTERMEDIATE CARE	419						
PHILADELPHIA(VAH),PA	REMODEL 7 E AND 7W	324						
PHOENIX,AZ	RADILOGY EXPANSION	119						
PITTSBURGH(LFR),PA	INSTALL LOAD MGT TEMP CONTROL PH I	214						
PITTSBURGH(LFR),PA	CONVERT 16 BED WARDS	399						
PITTSBURGH(UD),PA	SMOKE BARRIERS	425						
PITTSBURGH(UD),PA	RENOVATE 10TH FL NUCLEAR MED	451						
PITTSBURGH(UD),PA	20 BED TOTAL CARE WARD BLDG.NO.1	342						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

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($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (B)-MISC PROJ $100-$400,000										
OKLAHOMA CITY,OK	PURCHASE PROPERTY FOR PARKING	400				385	15	400	400	15
OMAHA,NB	ANIMAL RESEARCH FACILITY NEW BLDG	459	30	422	7			7		
OMAHA,NB	HEAT RECOVERY SYS BLDG 1 AND 15	292		283	5	4		9	4	
OMAHA,NB	RENOVATE LAUNDRY FAC BLDG.NO.9	397		27	335	30	5	370	35	5
PALO ALTO(PAD),CA	PHARMACY RELOCATION RADIO. EXPANSION	394	382	2	10			10		
PALO ALTO(PAD),CA	REHAB ENGINEERING RESEARCH CENTER	398	398							
PALO ALTO(PAD),CA	IMPROVE RADILOGY PH II	348		338	10			10		
PALO ALTO(PAD),CA	MODERNIZE BLDG. FOR ADMINISTRATION	326	298	22	6			6		
PERRY POINT,MD	ADDITIONAL FUEL STORAGE TANKS	348	337	2	9			9		
PERRY POINT,MD	FOUR ADDITIONAL ELEVATO	402	390	7	5			5		
PERRY POINT,MD	RENOVATE 24 FL TO INTERMEDIATE CARE	419		23	325	70	1	396	71	1
PHILADELPHIA(VAH),PA	REMODEL 7 E AND 7W	324		315	5	4		9	4	
PHOENIX,AZ	RADILOGY EXPANSION	119	118		1			1		
PITTSBURGH(LFR),PA	INSTALL LOAD MGT TEMP CONTROL PH I	214	207	6	1			1		
PITTSBURGH(LFR),PA	CONVERT 16 BED WARDS	399	386	4	9			9		
PITTSBURGH(UD),PA	SMOKE BARRIERS	425	19	405	1			1		
PITTSBURGH(UD),PA	RENOVATE 10TH FL NUCLEAR MED	451		434	10	7		17	7	
PITTSBURGH(UD),PA	20 BED TOTAL CARE WARD BLDG.NO.1	342	272	61	9			9		

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	APPROPRIATION PLAN: NET 1981 APPRO	APPROPRIATION PLAN: ADJUSTMENTS	APPROPRIATION PLAN: TOTAL AVAIL THRU 1981	APPROPRIATION PLAN: REQUIRED FOR 1982	APPROPRIATION PLAN: FOR FUTURE CONSIDERATION
OTHER IMPR (B)-MISC PROJ $100-$400,000								
POPLAR BLUFF,MO	RELOCATE DENTAL CLINIC	165						
PORTLAND,OR	CONSTRUCT RESEARCH LAB	295						
PORTLAND,OR	EMERGENCY SERVICE CIRCUIT	110						
PORTLAND,OR	CORRECT JCAH FIRE DEFIC	224						
PORTLAND,OR	UPGRADE HEMODIALYSIS	195						
PRESCOTT	EXPAND SURGICAL SUITE	53						
PRESCOTT	CORRECT FIRE AND SAFETY DEFICIENCIES	263						
PROVIDENCE,RI	CLASS I STANDPIPE SYSTEM	36						
PROVIDENCE,RI	RENOVATE BLDG.NO.9 FOR RESEARCH	361						
PROVIDENCE,RI	EXPAND RADIOLOGY	26						
PROVIDENCE,RI	RELOCATE CANTEEN	354						
RENO,NV	REMODEL NE WING WARD 28	246						
RENO,NV	REMOVE ARCHITECTURAL BARRIERS PHASE 2	130						
RENO,NV	PURCHASE LEASED FACILITY	213						
ROSEBURG,OR	REMODEL WARD 4 NORTH BLDG	405						
SAGINAW,MI	RELOCATE SPD	304						
SAGINAW,MI	UPGRADE DIETETICS	22						
SALEM,VA	HEMODIALYSIS CENTER RENOVATIONS	214						
SALEM,VA	PROVIDE ELEVATORS B-5	25						
SALISBURY,NC	EXPAND XRAY AND MEDICAL SERVICES	185						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (8)-MISC PROJ $100-$400,000										
POPLAR BLUFF,MO	RELOCATE DENTAL CLINIC	165	160	-1	6			6		
PORTLAND,OR	CONSTRUCT RESEARCH LAB	295	295							
PORTLAND,OR	EMERGENCY SERVICE CIRCUIT	110	100		10			10		
PORTLAND,OR	CORRECT JCAH FIRE DEFIC	224		210	5	9		14	9	
PORTLAND,OR	UPGRADE HEMODIALYSIS	195	183	6	6			6		
PRESCOTT	EXPAND SURGICAL SUITE	53	52	1						
PRESCOTT	CORRECT FIRE AND SAFETY DEFICIENCIES	263		256	7			7		
PROVIDENCE,RI	CLASS I STANDPIPE SYSTEM	36		32	4			4		
PROVIDENCE,RI	RENOVATE BLDG.NO.9 FOR RESEARCH	361		350	5	6		11	6	
PROVIDENCE,RI	EXPAND RADIOLOGY	26		26						
PROVIDENCE,RI	RELOCATE CANTEEN	354		340	10	4		14	4	
RENO,NV	REMODEL NE WING WARD 2B	246	246							
RENO,NV	REMOVE ARCHITECTURAL BARRIERS PHASE 2	130	126	4						
RENO,NV	PURCHASE LEASED FACILITY	213	213							
ROSEBURG,OR	REMODEL WARD 4 NORTH BL	405	393	12						
SAGINAW,MI	RELOCATE SPD	304	21	281	2			2		
SAGINAW,MI	UPGRADE DIETETICS	22			20	2			2	
SALEM,VA	HEMODIALYSIS CENTER RENOVATIONS	214		207	5	2		7	2	
SALEM,VA	PROVIDE ELEVATORS 8-5	25			25					
SALISBURY,NC	EXPAND XRAY AND MEDICAL SERVICES	185	183	2						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (8)-MISC PROJ $100-$400,000								
SALISBURY,NC	RENOVATION FOR PATIENT PRIVACY	321						
SALT LAKE CITY,UT	EMERGENCY RETROFIT UNITS	167						
SALT LAKE CITY,UT	REMODEL WARD 1D	390						
SALT LAKE CITY,UT	REMODEL WARD 1G BLDG.NO.1	337						
SALT LAKE CITY,UT	REMODEL THEATER FOR EDUCATION PHASE II	364						
SALT LAKE CITY,UT	REMODEL WARD 1E	30						
SALT LAKE CITY,UT	REMODEL ADMIN FOR HEMODIALYSIS	29						
SAN ANTONIO,TX	EXPAND O/P FACILITY	233						
SAN ANTONIO,TX	CONNECTING PASSAGEWAY	433						
SAN DIEGO,CA	31 BED SICU CANCELLED	17						
SAN DIEGO,CA	WASTE HEAT RECOVERY	111						
SAN DIEGO,CA	EXPAND SURGICAL ICU BY 7 BEDS	294						
SAN DIEGO,CA	MODIFY 60-BED NHCU	216						
SAN DIEGO,CA	CCU/MIC UNIT	36						
SAN FRANCISCO, CA	RENOVATE EXP PHY ALCOHOLIC NHU	207						
SAN FRANCISCO, CA	FIRE ALARM AND SMOKE BARRIERS	196						
SAN FRANCISCO, CA	EXPANSION OF REHABILITATI MEDICINE SERVICE	337						
SAN FRANCISCO, CA	INSTALLATION OF HYDRAULIC ELEVATORS	22						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	OBLIGATIONS ACTUAL FOR 1980	OBLIGATIONS ESTIMATED FOR 1981	OBLIGATIONS ESTIMATED FOR 1982	OBLIGATIONS ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (B)-MISC PROJ $100-$400,000										
SALISBURY,NC	RENOVATION FOR PATIENT PRIVACY	321		312	5	4		9	4	
SALT LAKE CITY,UT	EMERGENCY RETROFIT UNITS	167	164		3			3		
SALT LAKE CITY,UT	REMODEL WARD 1D	390	304	83	3			3		
SALT LAKE CITY,UT	REMODEL WARD 1G BLDG.NO.1	337		22	15	295	5	315	300	5
SALT LAKE CITY,UT	REMODEL THEATER FOR EDUCATION PHASE II	364		353	5	6		11	6	
SALT LAKE CITY,UT	REMODEL WARD 1E	30			30					
SALT LAKE CITY,UT	REMODEL ADMIN FOR HEMODIALYSIS	29			29					
SAN ANTONIO,TX	EXPAND O/P FACILITY	233	217	2	14			14		
SAN ANTONIO,TX	CONNECTING PASSAGEWAY	433	33	391	9			9		
SAN DIEGO,CA	31 BED SICU CANCELLED	17	7		10			10		
SAN DIEGO,CA	WASTE HEAT RECOVERY	111	103	2	6			6		
SAN DIEGO,CA	EXPAND SURGICAL ICU BY 7 BEDS	294	293		1			1		
SAN DIEGO,CA	MODIFY 60-BED NHCU	216	16	194	6			6		
SAN DIEGO,CA	CCU/MIC UNIT	36		29	7			7		
SAN FRANCISCO, CA	RENOVATE EXP PHY ALCOHOLIC NHU	207	206		1			1		
SAN FRANCISCO, CA	FIRE ALARM AND SMOKE BARRIERS	196		188	8			8		
SAN FRANCISCO, CA	EXPANSION OF REHABILITA MEDICINE SERVICE	337		16	300	21		321	21	
SAN FRANCISCO, CA	INSTALLATION OF HYDRAULIC ELEVATORS	22			20	2			2	

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (8)-MISC PROJ $100-$400,000								
SAN JUAN, PR	INSTALL MGT LOAD SYS	122						
SAN JUAN, PR	ADDITIONAL A/C UNITS	263						
SAN JUAN, PR	ADDITIONAL XRAY FACILITIES	176						
SAN JUAN, PR	LEARNING RESOURCE CENTER	171						
SEATTLE,WA	LAB EXPANSION	304						
SEATTLE,WA	RESEARCH BLDG.NO.8	221						
SEATTLE,WA	REMODEL 1ST FLOOR BLDG.NO.8	236						
SEPULVEDA,CA	PSYCHIATRIC WD REDESIGN	307						
SEPULVEDA,CA	RENOVATE PSYCHIATRIC WARD 5-2A	419						
SEPULVEDA,CA	PSYCHIATRIC WARD REDESIGN	239						
SEPULVEDA,CA	EXPAND DIETETIC KITCHEN	256						
SEPULVEDA,CA	REDESIGN PSY WARD	329						
SEPULVEDA,CA	RESEARCH EXPANSION B-7	224						
SEPULVEDA,CA	PATIENT PRIVACY CONVERSIO	23						
SHERIDAN,WY	TEMPORARY LAB	178						
SHERIDAN,WY	PATIENT PRIVACY AND RECRE BLDG NO.8	225						
SHERIDAN,WY	CONNECT TO CITY SEWER SYSTEM	26						
SHREVEPORT,LA	RESEARCH EXPANSION BLDG.NO.16 ARF	236						
SHREVEPORT,LA	ENERGY CONSERVATION AND MOD	430						
SHREVEPORT,LA	RENOVATE SURGICAL SUITE 3W	79						
SIOUX FALLS,SD	EXPAND RADIOLOGY PH I	70						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)

($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (B)-MISC PROJ $100-$400,000										
SAN JUAN, PR	INSTALL MGT LOAD SYS	122	120		2			2		
SAN JUAN, PR	ADDITIONAL A/C UNITS	263	260		3			3		
SAN JUAN, PR	ADDITIONAL XRAY FACILITIES	176	141	32	3			3		
SAN JUAN, PR	LEARNING RESOURCE CENTE	171			140	25	6	171	31	6
SEATTLE,WA	LAB EXPANSION	304	298	-1	7			7		
SEATTLE,WA	RESEARCH BLDG.NO.8	221	179	30	12			12		
SEATTLE,WA	REMODEL 1ST FLOOR BLDG.NO.8	236		39	15	182		197	182	
SEPULVEDA,CA	PSYCHIATRIC WD REDESIGN	307	303		4			4		
SEPULVEDA,CA	RENOVATE PSYCHIATRIC WARD 5-2A	419	402	8	9			9		
SEPULVEDA,CA	PSYCHIATRIC WARD REDESI	239			190	15	34	239	49	34
SEPULVEDA,CA	EXPAND DIETETIC KITCHEN	256		26	200	30		230	30	
SEPULVEDA,CA	REDESIGN PSY WARD	329			290	15	24	329	39	24
SEPULVEDA,CA	RESEARCH EXPANSION B-7	224		224						
SEPULVEDA,CA	PATIENT PRIVACY CONVERS	23			20	3			3	
SHERIDAN,WY	TEMPORARY LAB	178	174	3	1			1		
SHERIDAN,WY	PATIENT PRIVACY AND RECRE BLDG NO.8	225	216	9						
SHERIDAN,WY	CONNECT TO CITY SEWER SYSTEM	26			25	1			1	
SHREVEPORT,LA	RESEARCH EXPANSION BLDG.NO.16 ARF	236	234	1	1			1		
SHREVEPORT,LA	ENERGY CONSERVATION AND MOD	430	416	10	4			4		
SHREVEPORT,LA	RENOVATE SURGICAL SUITE 3W	79		77	2			2		
SIOUX FALLS,SD	EXPAND RADIOLOGY PH I	70	68	1	1			1		

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

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(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (B)-MISC PROJ $100-$400,000								
SIOUX FALLS,SD	WEATHER PROTECT ENTRANCES	10						
SPOKANE,WA	REPLACE SMOKE AND FIRE DOORS	186						
SPOKANE,WA	RENOVATE LAUNDRY	25						
ST CLOUD,MN	REMODEL WEST END BLDG. 1H BLDG. 1H	283						
ST CLOUD,MN	MODERNIZE MMPS(CCTV)	127						
ST CLOUD,MN	CONSOLIDATE TRAY SERVICE BLDG.NO.50	323						
ST.ALBANS(DIV),NY	FIRE SPRINKLER	224						
ST.ALBANS(DIV),NY	ELECTROMEGNETIC DOOR HOLDERS	417						
ST.ALBANS(DIV),NY	TV SYSTEM (PATIENT)	20						
ST.LOUIS(JB),MO	REMODEL 1-W-8	426						
ST.LOUIS(JB),MO	MEDICAL AND CLINICAL SUPPORT AREAS	65						
ST.LOUIS(JB),MO	REMODEL WARD 1-W-1 FOR CLINICAL	74						
ST.LOUIS(JB),MO	REMODEL WARD 1-W-2 NORTH	300						
ST.LOUIS(JB),MO	RESEARCH RELOCATION BLDG	210						
ST.LOUIS(JB),MO	REMODEL WARD 1-E-2	500						
ST.LOUIS(JB),MO	REMODEL DENTAL SERVICE	284						
ST.LOUIS(JB),MO	REMODEL SPD 8ES 1	27						
ST.LOUIS(JCD),MO	PROPOSED PURCHASE OF IMPROVED LEASED PROPERTY	290						
ST.LOUIS(JCD),MO	OUTPATIENT PHARMACY	120						
ST.LOUIS(JCD),MO	RELOCATE RMS	318						
ST.LOUIS(JCD),MO	CARDIOLOGY AND RADIOLOGY SUPPORT SVC	228						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (8)-MISC PROJ $100-$400,000										
SIOUX FALLS,SD	WEATHER PROTECT ENTRANC	10				10			10	
SPOKANE,WA	REPLACE SMOKE AND FIRE DOORS	186		175	5	6		11	6	
SPOKANE,WA	RENOVATE LAUNDRY	25			25					
ST CLOUD,MN	REMODEL WEST END BLDG. BLDG. 1H	283	275		8			8		
ST CLOUD,MN	MODERNIZE MMPS(CCTV)	127	3		124			124		
ST CLOUD,MN	CONSOLIDATE TRAY SERVICE BLDG.NO.50	323		314	9			9		
ST.ALBANS(DIV),NY	FIRE SPRINKLER	224		217	7			7		
ST.ALBANS(DIV),NY	ELECTROMEGNETIC DOOR HOLDERS	417		405	5	7		12	7	
ST.ALBANS(DIV),NY	TV SYSTEM (PATIENT)	20			20					
ST.LOUIS(JB),MO	REMODEL 1-W-8	426	424		2			2		
ST.LOUIS(JB),MO	MEDICAL AND CLINICAL SUPPORT AREAS	65	64	1						
ST.LOUIS(JB),MO	REMODEL WARD 1-W-1 FOR CLINICAL	74	73	1						
ST.LOUIS(JB),MO	REMODEL WARD 1-W-2 NORT	300	298	2						
ST.LOUIS(JB),MO	RESEARCH RELOCATION BLD	210	203	6	1			1		
ST.LOUIS(JB),MO	REMODEL WARD 1-E-2	500		23	435	42		477	42	
ST.LOUIS(JB),MO	REMODEL DENTAL SERVICE	284		270	10	4		14	4	
ST.LOUIS(JB),MO	REMODEL SPD BES 1	27			25	2			2	
ST.LOUIS(JCD),MO	PROPOSED PURCHASE OF IMPROVED LEASED PROPERT	290	270		20			20		
ST.LOUIS(JCD),MO	OUTPATIENT PHARMACY	120	120							
ST.LOUIS(JCD),MO	RELOCATE RMS	318	298	19	1			1		
ST.LOUIS(JCD),MO	CARDIOLOGY AND RADIOLOG SUPPORT SVC	228		216	5	7		12	7	

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (8)-MISC PROJ $100-$400,000								
SYRACUSE,NY	RENOVATE SPD	314						
SYRACUSE,NY	RENOVATE NURSING HOME CARE UNIT 7	344						
SYRACUSE,NY	RESEARCH CONSOLIDATION	256						
SYRACUSE,NY	REMODEL RADIOLOGY	339						
TAMPA,FL	HEAT RECOVERY SYSTEM	263						
TAMPA,FL	OPERATING ROOMS AND STAFF	223						
TAMPA,FL	INCINERATOR BLDG.	83						
TAMPA,FL	ENERGY CONV.RETROFIT	215						
TAMPA,FL	O/P CLINIC EXPANSION	379						
TAMPA,FL	INSTALL SMOKE DAMPERS SMOKE WALLS	29						
TEMPLE,TX	CORRECT SAFETY AND SPACE DEFICIENCIES BLDG 162	411						
TEMPLE,TX	AOV BLDG NO.162	72						
TEMPLE,TX	HANDICAPPED FACILITIES IMPROVEMENTS	30						
TEMPLE,TX	RENOVATE BL7 1ST FLOOR	30						
TEMPLE,TX	RENLOCATE MENTAL HYGIENE CLINIC	19						
TOGUS,ME	INSTALL EMERGENCY GENERATOR	214						
TOGUS,ME	RENOVATE 3RD FLOOR BLDG NO. 206	364						
TOGUS,ME	RENOVATE LAB AND PAD	396						
TOGUS,ME	RENOVATE BLDG.NO.206 PATIENT PRIVACY	441						
TOGUS,ME	RENOVATE WARD 3S 8200	30						
TOMAH,WI	REMODEL FOR AMBULATORY CARE	194						

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CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (8)-MISC PROJ $100-$400,000										
SYRACUSE,NY	RENOVATE SPD	314	291	21	2			2		
SYRACUSE,NY	RENOVATE NURSING HOME CARE UNIT 7	344	310	34						
SYRACUSE,NY	RESEARCH CONSOLIDATION	256	254		2			2		
SYRACUSE,NY	REMODEL RADIOLOGY	339	305	19	15			15		
TAMPA,FL	HEAT RECOVERY SYSTEM	263	261		2			2		
TAMPA,FL	OPERATING ROOMS AND STA	223	208	10	5			5		
TAMPA,FL	INCINERATOR BLDG.	83	81		2			2		
TAMPA,FL	ENERGY CONV.RETROFIT	215			185	20	10	215	30	10
TAMPA,FL	O/P CLINIC EXPANSION	379		23	350	6		356	6	
TAMPA,FL	INSTALL SMOKE DAMPERS SMOKE WALLS	29			29					
TEMPLE,TX	CORRECT SAFETY AND SPAC DEFICIENCIES BLDG 162	411	399	8	4			4		
TEMPLE,TX	AOV BLDG NO.162	72	70	1	1			1		
TEMPLE,TX	HANDICAPPED FACILITIES IMPROVEMENTS	30				25	5		30	5
TEMPLE,TX	RENOVATE B17 1ST FLOOR	30				25	5		30	5
TEMPLE,TX	RENLOCATE MENTAL HYGIE CLINIC	19				19			19	
TOGUS,ME	INSTALL EMERGENCY GENERATOR	214	210		4			4		
TOGUS,ME	RENOVATE 3RD FLOOR BLDG NO. 206	364	354	5	5			5		
TOGUS,ME	RENOVATE LAB AND PAD	396	333	59	4			4		
TOGUS,ME	RENOVATE BLDG.NO.206 PATIENT PRIVACY	441		29	375	37		412	37	
TOGUS,ME	RENOVATE WARD 3S 8200	30			30					
TOMAH,WI	REMODEL FOR AMBULATORY CARE	194	191	-2	5			5		

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND DF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (B)-MISC PROJ $100-$400,000								
TOPEKA,KS	RELOCATE MEDICAL MEDIA SERVICE BLDG.NO.1	162						
TOPEKA,KS	REMODEL 8-3 PATIENT PRIVACY	13						
TUCSON,AZ	RELOCATE OP/ENT EYE SPEECH AUDIO DL.	130						
TUCSON,AZ	INPATIENT PHARMACY	175						
TUSCALOOSA,AL	PATIENT PRIVACY CUBICLE	106						
TUSCALOOSA,AL	RENOVATE 1ST FLOOR BLDG. NO.33	18						
TUSCALOOSA,AL	RENOVATE CANTEEN	330						
TUSKEGEE,AL	CORRECT SAFETY DEFIC.	227						
TUSKEGEE,AL	PROVIDE PATIENT PRIVACY	441						
WASHINGTON, DC	ADMINISTRATIVE SERVICE RENOVATION	93						
WASHINGTON, DC	UPGRADE CARDIC CATH LAB	127						
WASHINGTON, DC	EXPAND WAREHOUSE	440						
WEST HAVEN,CT	CONSOLIDATE O/P RECORDS	224						
WEST ROXBURY,MA	RENOVATE LAB SERVICE	350						
WEST ROXBURY,MA	RENOVATE DIETETIC SPACE	422						
WEST ROXBURY,MA	EXPAND RADILOGY SERVICE	37						
WHITE CITY,OR	RENOVATE BLDG. NO.213	326						
WHITE CITY,OR	RENOVATE BLDG.NO.214 NORTH	320						
WHITE CITY,OR	O/P CLINIC EXPANSION	398						
WHITE CITY,OR	RENOVATE PHARMARCY	28						
WHITE RIVER JUNCTION,VT	ANESTHISCLOGY EXPAN	143						
WHITE RIVER JUNCTION,VT	EXIT DEFICIENCIES BLDG. NO.8	134						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (8)-MISC PROJ $100-$400,000										
TOPEKA,KS	RELOCATE MEDICAL MEDIA SERVICE BLDG.NO.1	162		10	135	10	7	152	17	7
TOPEKA,KS	REMODEL 8-3 PATIENT PRIVACY	13			13					
TUCSON,AZ	RELOCATE OP/ENT EYE SPEECH AUDIO DL.	130	120	7	3			3		
TUCSON,AZ	INPATIENT PHARMACY	175		170	5			5		
TUSCALCOSA,AL	PATIENT PRIVACY CUBICLE	106	106							
TUSCALCOSA,AL	RENOVATE 1ST FLOOR BLDG. NO.33	18	7		11			11		
TUSCALOOSA,AL	RENOVATE CANTEEN	330	276	53	1			1		
TUSKEGEE,AL	CORRECT SAFETY DEFIC.	227	224		3			3		
TUSKEGEE,AL	PROVIDE PATIENT PRIVACY	441		24	330	50	37	417	87	37
WASHINGTON, DC	ADMINISTRATIVE SERVICE RENOVATION	93	93							
WASHINGTON, DC	UPGRADE CARDIC CATH LAB	127	126		1			1		
WASHINGTON, DC	EXPAND WAREHOUSE	440	19	16	385	20		405	20	
WEST HAVEN,CT	CONSOLIDATE O/P RECORDS	224	217	5	2			2		
WEST ROXBURY,MA	RENOVATE LAB SERVICE	350	340	9	1			1		
WEST ROXBURY,MA	RENOVATE DIETETIC SPACE	422	381	38	3			3		
WEST ROXBURY,MA	EXPAND RADILOGY SERVICE	37		25	12			12		
WHITE CITY,OR	RENOVATE BLDG. NO.213	326	326	-1	1			1		
WHITE CITY,OR	RENOVATE BLDG.NO.214 NORTH	320	305	8	7			7		
WHITE CITY,OR	O/P CLINIC EXPANSION	398		386	5	7		12	7	
WHITE CITY,OR	RENOVATE PHARMARCY	28			25	3			3	
WHITE RIVER JUNCTION,VT	ANESTHISOLOGY EXPAN	143	141	-2	4			4		
WHITE RIVER JUNCTION,VT	EXIT DEFICIENCIES BLDG. NO.8	138	134		4			4		

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

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(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (B)-MISC PROJ $100-$400,000								
WHITE RIVER JUNCTION,VT	EXPAND PATHOLOGY	23						
WHITE RIVER JUNCTION,VT	TEMPORARY RESEARCH BLDG.	12						
WICHITA,KS	AMBULATORY CARE AND PHYSI OFFICE SPACE	416						
WILKES-BARRE,PA	ALTERATIONS PAD BLDG.NO.1	399						
WILKES-BARRE,PA	KITCHEN REMODELING SECTION A	36						
WILKES-BARRE,PA	RELOCATE PROSTHETIC	23						
WILKES-BARRE,PA	RELOCATE LIBRARY	30						
WILMINGTON,DE	ELIMINATE ARCH BARRIERS	240						
WOOD,WI	EXPAND AMBULATORY CARE	316						
WOOD,WI	RELOCATE CARDIAC CATHORIZATION LAB	154						
WOOD,WI	RELOCATE CLINIC FILES	370						
WOOD,WI	ANIMAL RESEARCH FACILITY	412						
WOOD,WI	INSTALLATION FO CAT SCANNER	212						
VARIOUS STATIONS	FY79 PROGRAM BALANCE	669						
VARIOUS STATIONS	FY80 PROGRAM BALANCE	1,884						
VARIOUS STATIONS	FY81 PROGRAM BALANCE	40,498						
SUBTOTAL (433)		201511	110285	41442	10	151737	49774	

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR: 1980	UNOBLIGATED APPROPRIATION END OF YEAR: 1981	UNOBLIGATED APPROPRIATION END OF YEAR: 1982
OTHER IMPR (B)-MISC PROJ $100-$400,000										
WHITE RIVER JUNCTION,VT	EXPAND PATHOLOGY	23			20	3			3	
WHITE RIVER JUNCTION,VT	TEMPORARY RESEARCH BLDG.	12		10	2			2		
WICHITA,KS	AMBULATORY CARE AND PHY OFFICE SPACE	416	35	379	2			2		
WILKES-BARRE,PA	ALTERATIONS PAD BLDG.NO.1	399	384	14	1			1		
WILKES-BARRE,PA	KITCHEN REMODELING SECTION A	36		26	10			10		
WILKES-BARRE,PA	RELOCATE PROSTHETIC	23			20	3			3	
WILKES-BARRE,PA	RELOCATE LIBRARY	30			30					
WILMINGTON,DE	ELIMINATE ARCH BARRIERS	240		18	175	25	22	222	47	22
WOOD,WI	EXPAND AMBULATORY CARE	318	316		2			2		
WOOD,WI	RELOCATE CARDIAC CATHORIZATION LAB	154	146		8			8		
WOOD,WI	RELOCATE CLINIC FILES	370	359	8	3			3		
WOOD,WI	ANIMAL RESEARCH FACILIT	412	26	376	10			10		
WOOD,WI	INSTALLATION FO CAT SCANNER	212		205	7			7		
VARIOUS STATIONS	FY79 PROGRAM BALANCE	869			255	555	59	869	614	59
VARIOUS STATIONS	FY80 PROGRAM BALANCE	1,884			35	1,250	599	1,884	1,849	599
VARIOUS STATIONS	FY81 PROGRAM BALANCE	40,498			14,525	17,835	8,138		25,973	8,138
SUBTOTAL (433)		201511	58544	29954	29405	42787	40821	21797	33834	40821

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (C)-CLINICAL IMPROVEMENTS								
VARIOUS STATIONS	FY1982 REQUEST	12,255					12,255	
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET		34,944	5,129	-187	39,886		
VARIOUS STATIONS	LESS FIN COMPLETED PROJECTS		-5,757			-5,757		
ALLEN PARK,MI	CARDIO-VASCULAR DIAG TRNG	801						
ALLEN PARK,MI	UPDATE SURGICAL ICU	637						
AMERICAN LAKE,WA	5 BED GP ICU	173						
ANN ARBOR,MI	ALTNS TO RADIOLOGY	819						
BIRMINGHAM,AL	6 BED SURGICAL ICU	272						
BIRMINGHAM,AL	25 BED RCC	541						
BUFFALO,NY	RELOCATE NUCLEAR MED	797						
BUTLER,PA	40 BED RESPIR CARE CENTER PFL	626						
CANANDAIGUA,NY	20 BED RCU	564						
CANANDAIGUA,NY	RELOCATE AND UPDATE PAD	565						
CHICAGO(WS),IL	20-BED RESPIRATORY CARE	1,053						
CHILLICOTHE,OH	20 BED RCC, PF LAB AND 6 BE GP	602						
CINCINNATI,OH	REMODEL CLINICAL LAB	449						
CINCINNATI(CO),OH	RELOCATE MOD AND MICU	408						
CLEVELAND(WADE PARK),OH	32 BED RCC AND PFL	768						
CLEVELAND(WADE PARK),OH	EXPAND RADILOIGY	312						
DES MOINES,IA	ADDITION TO BLDG.NO.1 DENTAL EXPANSION	561						
DES MOINES,IA	RCU AND PLF	601						
FORT HARRISON,MT	EXPAND PHARMACY	817						
GRAND JUNCTION,CO	REMODEL LAB AND CANTEEN	861						
HOT SPRINGS,SD	SURGERY PAD ALTERATIONS	1,206						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	OBLIGATIONS ACTUAL FOR 1980	OBLIGATIONS ESTIMATED FOR 1981	OBLIGATIONS ESTIMATED FOR 1982	OBLIGATIONS ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (C)-CLINICAL IMPROVEMENTS										
VARIOUS STATIONS	FY1982 REQUEST	12,255				705	11,550			11,550
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET									
VARIOUS STATIONS	LESS FIN COMPLETED PROJECTS									
ALLEN PARK,MI	CARDIO-VASCULAR DIAG TR	801	801							
ALLEN PARK,MI	UPDATE SURGICAL ICU	637	635		2			2		
AMERICAN LAKE,WA	5 BED GP ICU	173	171	2						
ANN ARBOR,MI	ALTNS TO RADIOLOGY	819	733		86			86		
BIRMINGHAM,AL	6 BED SURGICAL ICU	272	271		1			1		
BIRMINGHAM,AL	25 BED RCC	541	544	-3						
BUFFALO,NY	RELOCATE NUCLEAR MED	797	51	25	710	11		721	11	
BUTLER,PA	40 BED RESPIR CARE CENTER PFL	626	581	-18	63			63		
CANANDAIGUA,NY	20 BED RCU	564	538	8	18			18		
CANANDAIGUA,NY	RELOCATE AND UPDATE PAC	565	526	8	31			31		
CHICAGO(WS),IL	20-BED RESPIRATORY CARE	1,053	1,002	18	25	8		33	8	
CHILLICOTHE,OH	20 BED RCC, PF LAB AND 6 BE GP	602	560	1	41			41		
CINCINNATI,OH	REMODEL CLINICAL LAB	449	448	1						
CINCINNATI(CO),OH	RELOCATE MOD AND MICU	408	408							
CLEVELAND(WADE PARK),OH	32 BED RCC AND PFL	768	69	670	29			29		
CLEVELAND(WADE PARK),OH	EXPAND RADIOLOGY	312	307	-2	7			7		
DES MOINES,IA	ADDITION TO BLDG.NO.1 DENTAL EXPANSION	561	534	6	21			21		
DES MOINES,IA	RCU AND PLF	601	556	6	39			39		
FORT HARRISON,MT	EXPAND PHARMACY	817	57	724	15	21		36	21	
GRAND JUNCTION,CO	REMODEL LAB AND CANTEEN	861	830	11	20			20		
HOT SPRINGS,SD	SURGERY PAC ALTERATIONS	1,206	1,139		67			67		

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN $1 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (C)-CLINICAL IMPROVEMENTS								
JACKSON,MS	EXPAND SICU	600						
LONG BEACH,CA	11 BEDS ICU AND CC UNIT	276						
LONG BEACH,CA	PHARMACY EXPANSION	659						
LONG BEACH,CA	SURGICAL ICU	922						
LOS ANGELES(WAD),CA	RELOCATE CLINICAL LAB	513						
LOUISVILLE,KY	CLINICAL LABS	579						
MINNEAPOLIS,MN	DIAGNOSTIC RADIOLOGY EXPANSION	801						
NEW YORK,NY	RELOCATE 12 BED MICU AND 6 BED CCU	566						
NEWINGTON,CT	REMODEL RADIOLOGY	401						
PHILADELPHIA(VAH),PA	18 BED SURGICAL ICU	408						
PHILADELPHIA(VAH),PA	ADM/ED RELOCATION FOR CLINICAL IMPROV.	774						
SAN FRANCISCO, CA	RENOV AND EXPAND SICU BLDG.NO.203	760						
SEPULVEDA,CA	4 BED CCU	166						
SEPULVEDA,CA	RADIOLOGY EXPANSION	567						
SYRACUSE,NY	EXPANSION OF CLINICAL LAB	626						
SYRACUSE,NY	RELOCATE DENTAL CLINIC	511						
TEMPLE,TX	18 BED CMICU	657						
TOGUS,ME	CLINICAL IMPROVEMENTS	1,294						
WASHINGTON, DC	MICU/CCU UPGRADE EXP	506						
WASHINGTON, DC	LINEAR ACCELERATOR	902						
WEST HAVEN,CT	RENOVATION PROCESS AND DISTRIBUTION	653						
WEST HAVEN,CT	11 BED MEDICAL ICU	565						
WHITE RIVER JUNCTION,VT	EXPAND SICU AND RECOVERY UNIT	649						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (C)-CLINICAL IMPROVEMENTS										
JACKSON,MS	EXPAND SICU	600		36	475	89		564	89	
LONG BEACH,CA	11 BEDS ICU AND CC UNIT	276	272		4			4		
LONG BEACH,CA	PHARMACY EXPANSION	659	621	34	4			4		
LONG BEACH,CA	SURGICAL ICU	922	879	21	22			22		
LOS ANGELES(WAD),CA	RELOCATE CLINICAL LAB	513		450	25	38		63	38	
LOUISVILLE,KY	CLINICAL LABS	579	578	1						
MINNEAPOLIS,MN	DIAGNOSTIC RADIOLOGY EXPANSION	801	773	3	25			25		
NEW YORK,NY	RELOCATE 12 BED MICU AND 6 BED CCU	566	513	35	18			18		
NEWINGTON,CT	REMODEL RADIOLOGY	401	322		79			79		
PHILADELPHIA(VAH),PA	10 BED SURGICAL ICU	408	393	-1	56			56		
PHILADELPHIA(VAH),PA	ADM/ED RELOCATION FOR CLINICAL IMPROV.	774	28			735	11	746	746	11
SAN FRANCISCO, CA	RENOV AND EXPAND SICU BLDG.NO.203	760			35	695	30	760	725	30
SEPULVEDA,CA	4 BED CCU	166	163	1	2			2		
SEPULVEDA,CA	RADIOLOGY EXPANSION	567	475	72	20			20		
SYRACUSE,NY	EXPANSION OF CLINICAL L	626	612		14			14		
SYRACUSE,NY	RELOCATE DENTAL CLINIC	511	498		13			13		
TEMPLE,TX	10 BED CMICU	657	618	23	16			16		
TOGUS,ME	CLINICAL IMPROVEMENTS	1,294	1,271	2	21			21		
WASHINGTON, DC	MICU/CCU UPGRADE EXP	506	485		21			21		
WASHINGTON, DC	LINEAR ACCELECATOR	902	882	5	15			15		
WEST HAVEN,CT	RENOVATION PROCESS AND DISTRIBUTION	653	642		11			11		
WEST HAVEN,CT	11 BED MEDICAL ICU	565	524	27	14			14		
WHITE RIVER JUNCTION,VT	EXPAND SICU AND RECOVERY UNIT	649	621	16	12			12		

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CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (C)-CLINICAL IMPROVEMENTS								
WILKES-BARRE,PA	EXPAND AND MOD DENTAL CLINIC	465						
VARIOUS STATIONS	FY76 PROGRAM BALANCE	320						
VARIOUS STATIONS	FY77 PROGRAM BALANCE	136						
VARIOUS STATIONS	FY78 PROGRAM BALANCE	291						
VARIOUS STATIONS	FY81 PROGRAM BALANCE	5,129						
SUBTOTAL (52)		46384	29187	5129	-187	34129	12255	

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND DF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	1981	1982
OTHER IMPR (C)-CLINICAL IMPROVEMENTS										
WILKES-BARRE,PA	EXPAND AND MOD DENTAL CLINIC	465	447		18			18		
VARIOUS STATIONS	FY80 PROGRAM BALANCE	320			265	5	50	320	55	50
VARIOUS STATIONS	FY77 PROGRAM BALANCE	136			125		11	136	11	11
VARIOUS STATIONS	FY78 PROGRAM BALANCE	291			10	260	21	291	281	21
VARIOUS STATIONS	FY81 PROGRAM BALANCE	5,129				330	4,799		5,129	4,799
SUBTOTAL (52)		46384	22338	2182	2495	2897	16472	4480	7114	16472

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)

($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (D)-AIR CONDITIONING SYSTEMS								
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET		2,557	650	-1	3,206		
VARIOUS STATIONS	LESS FIN COMPLETED PROJECTS		-290			-290		
BILOXI(GO),MS	AC BLDG NO.5	345						
DES MOINES,IA	AC BLDG NO.2	281						
DES MOINES,IA	A/C BUILDING NO 1W	677						
MARION,IL	AC BLDG NO.2	809						
NORTH CHICAGO(DOWNEY),IL	A/C SURGERY	700						
VARIOUS STATIONS	FY76 PROGRAM BALANCE	4						
VARIOUS STATIONS	FY81 PROGRAM BALANCE	100						
SUBTOTAL (9)		2916	2267	650	-1	2916		

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTI-MATED COST	OBLIGATIONS ACTUAL THRU 1979	OBLIGATIONS ACTUAL FOR 1980	OBLIGATIONS ESTIMATED FOR 1981	OBLIGATIONS ESTIMATED FOR 1982	OBLIGATIONS ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (D)-AIR CONDITIONING SYSTEMS										
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET									
VARIOUS STATIONS	LESS FIN COMPLETED PROJECTS									
BILOXI(GO),MS	AC BLDG NO.5	345	349	-4						
DES MOINES,IA	AC BLDG NO.2	281	281							
DES MOINES,IA	A/C BUILDING NO 1W	677	639	38						
MARION,IL	AC BLDG NO.2	809	783		26			26		
NORTH CHICAGO(DOWNEY),I	A/C SURGERY	700			45	625	30	150	655	30
VARIOUS STATIONS	FY76 PROGRAM BALANCE	4				4		4	4	
VARIOUS STATIONS	FY81 PROGRAM BALANCE	100			95		5		5	5
SUBTOTAL (9)		2916	2852	34	166	629	35	180	664	35

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CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (E)-CORRECTION OF SEISMIC DEF								
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET		9,080		20	9,100		
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET		-1,309			-1,309		
ALBUQUERQUE,NM	SEISMIC INVESTIGATION	115						
AUGUSTA(LO),GA	SEISMIC INVESTIGATION	63						
FORT HARRISON,MT	SEISMIC CORRECTION	768						
LIVERMORE,CA	NON-STRUCTURAL SEISMIC DEFICIENCIES	114						
LONG BEACH,CA	NON-STRUCTURAL SEISMIC CORRECTION	730						
LOS ANGELES,CA	SEISMIC CORRECTIONS TO BLDG 113	1,098						
MARTINEZ,CA	NON-STRUCTURAL SEISMIC CORRECTION	89						
PALO ALTO(MPO),CA	NON-STRUCTURAL SEISMIC DEFICIENCIES	105						
PALO ALTO(PAO),CA	NON-STRUCTURAL SEISMIC CORRECTION	271						
PRESCOTT	SEISMIC CORRECTIONS TO VARIOUS BLDGS.	827						
RENO,NV	NON-STRUCTURAL SEISMIC DEFICIENCIES	103						
SAN DIEGO,CA	NON-STRUCTURAL SEISMIC CORRECTION	744						
SAN DIEGO,CA	NON-STRUCTURAL SEISMIC CORRECTION FOR EL	771						
SAN FRANCISCO, CA	NON-STRUCTURAL SESIMIC	300						
SEPULVEDA,CA	NON-STRUCTURAL SEISMIC CORRECTION	235						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	OBLIGATIONS ACTUAL FOR 1980	OBLIGATIONS ESTIMATED FOR 1981	OBLIGATIONS ESTIMATED FOR 1982	OBLIGATIONS ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (E)-CORRECTION OF SEISMIC DEF										
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET									
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET									
ALBUQUERQUE,NM	SEISMIC INVESTIGATION	115	99		16			16		
AUGUSTA(LD),GA	SEISMIC INVESTIGATION	63	61		2			2		
FORT HARRISON,MT	SEISMIC CORRECTION	768	726	11	31			31		
LIVERMORE,CA	NON-STRUCTURAL SEISMIC DEFICIENCIES	114	21	85	5	3		8	3	
LONG BEACH,CA	NON-STRUCTURAL SEISMIC CORRECTION	730	9	60	590	71		661	71	
LOS ANGELES,CA	SEISMIC CORRECTIONS TO BLDG 113	1,098	40	985	73			73		
MARTINEZ,CA	NON-STRUCTURAL SEISMIC CORRECTION	89	9	77	3			3		
PALO ALTO(MPD),CA	NON-STRUCTURAL SEISMIC DEFICIENCIES	105	22	76	7			7		
PALO ALTO(PAC),CA	NON-STRUCTURAL SEISMIC CORRECTION	271	38	193	40			40		
PRESCOTT	SEISMIC CORRECTIONS TO VARIOUS BLDGS.	827	59	712	56			56		
RENO,NV	NON-STRUCTURAL SEISMIC DEFICIENCIES	103	8	12	83			83		
SAN DIEGO,CA	NON-STRUCTURAL SEISMIC CORRECTION	744	741	3						
SAN DIEGO,CA	NON-STRUCTURAL SEISMIC CORRECTION FOR EL	771	642	24	105			105		
SAN FRANCISCO, CA	NON-STRUCTURAL SESIMIC	300	8			265	27	292	292	27
SEPULVEDA,CA	NON-STRUCTURAL SEISMIC CORRECTION	235	8	219	5	3		8	3	

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CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (E)-CORRECTION OF SEISMIC DEF								
TUCSON,AZ	DINING RECR FACILS	18						
WALLA WALLA,WA	SEISMIC CORRECTION	1,095						
VARIOUS STATIONS	SEISMIC INVESTIGATION	115						
VARIOUS STATIONS	STRONG MOTION INSTRU	150						
VARIOUS STATIONS	FY77 PROGRAM BALANCE	80						
SUBTOTAL (22)		7791	7771		20	7791		

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	1981	1982
OTHER IMPR (E)-CORRECTION OF SEISMIC DEF										
TUCSON,AZ	DINING RECR FACILS	18	8		10			10		
WALLA WALLA,WA	SEISMIC CORRECTION	1,095	68	952	75			75		
VARIOUS STATIONS	SEISMIC INVESTIGATION	115	114		1			1		
VARIOUS STATIONS	STRONG MOTION INSTRU	150	150							
VARIOUS STATIONS	FY77 PROGRAM BALANCE	80			80			80		
SUBTOTAL (22)		7791	2831	3409	1182	342	27	1551	369	27

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (F)-CORR OF ELECTRICAL DEF								
VARIOUS STATIONS	FY1982 REQUEST	4,900					4,900	
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET		48,475	2,932	1	51,408		
VARIOUS STATIONS	LESS FIN COMPLETED PROJECTS		-5,483			-5,483		
ALBANY, NY	EMERGENCY GENERATOR AND CORR ELECTRICAL DEFIC.	548						
ALBUQUERQUE,NM	CORR OF ELECTRICAL DEFIC	983						
AMERICAN LAKE,WA	CORRECTION OF ELECTRICAL DEFICIENCIES	588						
ASHEVILLE(OTEEN),NC	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	334						
BALTIMORE,MD	EMERGENCY GENERATOR	482						
BEDFORD,MA	EMERGENCY GENERATOR	1,090						
BILOXI(GD),MS	REPLACE PRIMARY DISTRIBUTION SYSTEM	638						
BUFFALO,NY	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	663						
CANANDAIGUA,NY	EMERGENCY GENERATOR	908						
CHICAGO(RES),IL	INSTALL EMERGENCY GENERATOR	879						
CHICAGO(WS),IL	ELECTRICAL DEFICIENCIES	1,024						
COATESVILLE,PA	CORRECTION ELECTRICAL DEFICIENCIES	575						
COLUMBIA,SC	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	406						
DALLAS,TX	EMERGENCY POWER AND DISTRIBUTION	493						
DES MOINES,IA	UPGRADE ELECTRIC POWER	544						
ERIE,PA	EMERGENCY POWER	504						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (F)-CORR OF ELECTRICAL DEF										
VARIOUS STATIONS	FY1982 REQUEST	4,900				360	4,540			4,540
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET									
VARIOUS STATIONS	LESS FIN COMPLETED PROJECTS									
ALBANY, NY	EMERGENCY GENERATOR AND CORR ELECTRICAL DEFIC.	548	537		11			11		
ALBUQUERQUE,NM	CORR OF ELECTRICAL DEFI	983	983							
AMERICAN LAKE,WA	CORRECTION OF ELECTRICA DEFICIENCIES	588	588							
ASHEVILLE(OTEEN),NC	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	334	317	15	2			2		
BALTIMORE,MD	EMERGENCY GENERATOR	482	477	4	1			1		
BEDFORD,MA	EMERGENCY GENERATOR	1,090	1,060		30			30		
BILOXI(GO),MS	REPLACE PRIMARY DISTRIBUTION SYSTEM	638	574	-1	65			65		
BUFFALO,NY	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	663	614	7	42			42		
CANANDAIGUA,NY	EMERGENCY GENERATOR	908	809	41	58			58		
CHICAGO(RES),IL	INSTALL EMERGENCY GENERATOR	879	868	1	10			10		
CHICAGO(WS),IL	ELECTRICAL DEFICIENCIES	1,024	940	16	68			68		
COATESVILLE,PA	CORRECTION ELECTRICAL DEFICIENCIES	575	550	8	17			17		
COLUMBIA,SC	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	406	387	-1	20			20		
DALLAS,TX	EMERGENCY POWER AND DISTRIBUTION	493	466	3	24			24		
DES MOINES,IA	UPGRADE ELECTRIC POWER	544	467	7	70			70		
ERIE,PA	EMERGENCY POWER	504	482	-1	23			23		

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (F)-CORR OF ELECTRICAL DEF								
FARGO,ND	CORRECTION OF ELECTRICAL DEFICIENCIES	874						
FORT WAYNE, IN	SECONDARY GEN AND PRIMARY DISTR	930						
HINES(VAH),IL	INTERIOR ELEC DISTR SYS BLDGS. 1,50,51 AND 53	278						
HOT SPRINGS,SD	UPGRADE ELECTRICAL SYS VARIOUS BLDGS.	961						
IRON MOUNTAIN,MI	SECONDARY GENERATOR AND PRIMARY DISTRIBUTION SYS	970						
KERRVILLE,TX	EMERGENCY GENERATOR AND ELECTRICAL DISTRI SYS	712						
LEXINGTON(LD),KY	CORRECTION OF ELECTRICAL DEFICIENCIES	583						
LEXINGTON(LD),KY	EMERGENCY GENERATOR	255						
LINCOLN,NB	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	761						
LOS ANGELES(BW),CA	CORRECTION OF ELECTRICAL DEFICIENCIES	603						
LOS ANGELES(WAD),CA	CORRECTION OF ELECTRICAL DEFICIENCIES	959						
LOUISVILLE,KY	PRIMARY DISTR. AND SECONDARY GENERATOR	737						
MONTROSE,NY	CORRECTION OF ELECTRICAL DEFICIENCIES	977						
MONTROSE,NY	EMERGENCY GENERATOR	992						
MOUNTAIN HOME,TN	CORRECTION OF ELECTRICAL DEFICIENCIES	814						
MOUNTAIN HOME,TN	CONNECT EMERGENCY GENERATOR	138						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (F)-CORR OF ELECTRICAL DEF										
FARGO,ND	CORRECTION OF ELECTRICA DEFICIENCIES	874	843	10	21			21		
FORT WAYNE, IN	SECONDARY GEN AND PRIMARY DISTR	930			780	85	65	930	150	65
HINES(VAH),IL	INTERIOR ELEC DISTR SYS BLDGS. 1,50,51 AND 53	278	278							
HOT SPRINGS,SD	UPGRADE ELECTRICAL SYS VARIOUS BLDGS.	961	925	24	12			12		
IRON MOUNTAIN,MI	SECONDARY GENERATOR AND PRIMARY DISTRIBUTION SY	970		89	800	81		881	81	
KERRVILLE,TX	EMERGENCY GENERATOR AND ELECTRICAL DISTRI SYS	712	583	108	21			21		
LEXINGTON(LD),KY	CORRECTION OF ELECTRICA DEFICIENCIES	583	574	5	4			4		
LEXINGTON(LD),KY	EMERGENCY GENERATOR	255	248	3	4			4		
LINCOLN,NB	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	761	716	1	44			44		
LOS ANGELES(BW),CA	CORRECTION OF ELECTRICA DEFICIENCIES	603	574		15	14		29	14	
LOS ANGELES(WAD),CA	CORRECTION OF ELECTRICA DEFICIENCIES	959	917		25	17		42	17	
LOUISVILLE,KY	PRIMARY DISTR. AND SECONDARY GENERATOR	737	659	9	69			69		
MONTROSE,NY	CORRECTION OF ELECTRICA DEFICIENCIES	977	952	25						
MONTROSE,NY	EMERGENCY GENERATOR	992	117	52	823			823		
MOUNTAIN HOME,TN	CORRECTION OF ELECTRICA DEFICIENCIES	814	814							
MOUNTAIN HOME,TN	CONNECT EMERGENCY GENERATOR	138	138							

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

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LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (F)-CORR OF ELECTRICAL DEF								
NEW ORLEANS,LA	ELECTRICAL DEFICIENCIES	777						
NEWINGTON,CT	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	807						
NORTHPORT,NY	EMERGENCY GENERATOR	604						
PERRY POINT,MD	CORRECTION OF ELECTRICAL DEFICIENCIES	950						
PHILADELPHIA(VAH),PA	EMERGENCY GENERATORS	853						
PITTSBURGH(UO),PA	EMERGENCY GENERATOR SYSTEM	819						
RENO,NV	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	665						
SAGINAW,MI	ELECTRICAL DEFICIENCIES	941						
SALISBURY,NC	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	846						
SAN DIEGO,CA	EMERGENCY GENERATOR	967						
SEATTLE,WA	CORRECTION OF ELECTRICAL DEFICIENCIES	325						
SEPULWEDA,CA	ELECTRICAL DEFICIENCIES	955						
SHERIDAN,WY	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	745						
ST.LOUIS(JB),MO	EMERGENCY POWER	557						
ST.LOUIS(JB),MO	EMERGENCY GENERATOR	926						
TEMPLE,TX	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	559						
TOPEKA,KS	EMERGENCY GENERATOR AND CORR OF ELECT DEF	329						
TUSKEGEE,AL	EMERGENCY POWER	861						
WASHINGTON, DC	ELECTRICAL DEFICIENCIES	738						
WHITE RIVER JUNCTION,VT	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	347						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (F)-CORR OF ELECTRICAL DEF										
NEW ORLEANS,LA	ELECTRICAL DEFICIENCIES	777	38	20	645	74		719	74	
NEWINGTON,CT	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	807	751	12	44			44		
NORTHPORT,NY	EMERGENCY GENERATOR	604	604							
PERRY POINT,MD	CORRECTION OF ELECTRICA DEFICIENCIES	950	730	175	45			45		
PHILADELPHIA(VAH),PA	EMERGENCY GENERATORS	853	810	9	34			34		
PITTSBURGH(UD),PA	EMERGENCY GENERATOR SYSTEM	819	56	725	15	23		38	23	
RENO,NV	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	665	623	15	27			27		
SAGINAW,MI	ELECTRICAL DEFICIENCIES	941	848	25	68			68		
SALISBURY,NC	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	846	749	11	86			86		
SAN DIEGO,CA	EMERGENCY GENERATOR	967	83		30	854		884	854	
SEATTLE,WA	CORRECTION OF ELECTRICA DEFICIENCIES	325	325							
SEPULVEDA,CA	ELECTRICAL DEFICIENCIES	955	885	21	49			49		
SHERIDAN,WY	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	745	695	21	29			29		
ST.LOUIS(JB),MO	EMERGENCY POWER	557	522	8	27			27		
ST.LOUIS(JB),MO	EMERGENCY GENERATOR	926	823		103			103		
TEMPLE,TX	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	559	558		1			1		
TOPEKA,KS	EMERGENCY GENERATOR AND CORR OF ELECT DEF	329	315	13	1			1		
TUSKEGEE,AL	EMERGENCY POWER	861	808		53			53		
WASHINGTON, DC	ELECTRICAL DEFICIENCIES	738	715	12	11			11		
WHITE RIVER JUNCTION,VT	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	347	326	8	13			13		

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (F)-CORR OF ELECTRICAL DEF								
WICHITA,KS	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	850						
WILMINGTON,DE	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	472						
VARIOUS STATIONS	FY76 PROGRAM BALANCE	980						
VARIOUS STATIONS	FY77 PROGRAM BALANCE	904						
VARIOUS STATIONS	FY78 PROGRAM BALANCE	918						
VARIOUS STATIONS	FY79 PROGRAM BALANCE	1,163						
VARIOUS STATIONS	FY80 PROGRAM BALANCE	932						
VARIOUS STATIONS	FY81 PROGRAM BALANCE	2,932						
SUBTOTAL (63)		50825	42992	2932	1	45925	4900	

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	OBLIGATIONS ACTUAL FOR 1980	OBLIGATIONS ESTIMATED FOR 1981	OBLIGATIONS ESTIMATED FOR 1982	OBLIGATIONS ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (F)-CORR OF ELECTRICAL DEF										
WICHITA,KS	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	850	830	8	12			12		
WILMINGTON,DE	EMERGENCY GENERATOR AND ELECTRICAL DEFICIENCIES	472	441	10	21			21		
VARIOUS STATIONS	FY76 PROGRAM BALANCE	980			755		225	980	225	225
VARIOUS STATIONS	FY77 PROGRAM BALANCE	904			695		209	904	209	209
VARIOUS STATIONS	FY78 PROGRAM BALANCE	918			705		213	918	213	213
VARIOUS STATIONS	FY79 PROGRAM BALANCE	1,163			20	930	213	1,163	1,143	213
VARIOUS STATIONS	FY80 PROGRAM BALANCE	932			65	840	27	932	867	27
VARIOUS STATIONS	FY81 PROGRAM BALANCE	2,932			145	2,660	127		2,787	127
SUBTOTAL (63)		50825	30932	1518	6758	5938	5619	10483	6657	5619

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND DF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (G)-ELIM OF SAFETY HAZARDS								
VARIOUS STATIONS	FY1982 REQUEST	7,810					7,810	
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET		45,262	2,541	-4	47,799		
VARIOUS STATIONS	LESS FIN COMPLETED PROJECTS		-8,006			-8,006		
ALBANY, NY	SMOKE DOOR HOLDERS	137						
ALLEN PARK,MI	REPLACE FIRE ALARM ADDN SMOKE DETECTORS	920						
ALLEN PARK,MI	SPRINKLER AREARS	850						
AMERICAN LAKE,WA	REPLACE EXIT DOORS	96						
AMERICAN LAKE,WA	SPRINKLER SYSTEM	174						
AMERICAN LAKE,WA	ADDITIONAL EXITS	1,091						
ANN ARBOR,MI	DEADEND CORRIDOR STAIRS	589						
ASHEVILLE(OTEEN),NC	MODIFY NURSE SERVERS	182						
AUGUSTA(FHD),GA	SMOKE BARRIERS	147						
BATAVIA,NY	DEADEND CORRIDOR STAIRS	389						
BECKLEY,WV	DEADEND CORRIDOR STAIRS	537						
BEDFORD,MA	DEADEND CORRIDOR STAIRS	631						
BILOXI(GD),MS	ADDITIONAL EXITS	493						
BIRMINGHAM,AL	REPLACE FIRE ALARM SYSTEM	428						
BONHAM,TX	DEADEND CORRIDOR STAIRS	414						
BUFFALO,NY	SMOKE BARRIERS	435						
BUTLER,PA	INSTALL SMOKE BARRIERS REOPEN FOR CLAIM	5						
CANANDAIGUA,NY	REVERSE DOOR SWING	200						
CANANDAIGUA,NY	SPRINKLER SYSTEM	96						
CHICAGO(WS),IL	SPRINKLER SYSTEM	236						
CLEVELAND(BRECKSVLE),OH	SPRINKLER SYSTEM	359						
CLEVELAND(BRECKSVLE),OH	REPLACE FIRE ALARM SYSTEM	945						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR: 1980	UNOBLIGATED APPROPRIATION END OF YEAR: 1981	UNOBLIGATED APPROPRIATION END OF YEAR: 1982
OTHER IMPR (G)-ELIM OF SAFETY HAZARDS										
VARIOUS STATIONS	FY1982 REQUEST	7,810				625	7,185			7,185
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET									
VARIOUS STATIONS	LESS FIN COMPLETED PROJECTS									
ALBANY, NY	SMOKE DOOR HOLDERS	137	137							
ALLEN PARK,MI	REPLACE FIRE ALARM ADDN SMOKE DETECTORS	920			75	795	50		845	50
ALLEN PARK,MI	SPRINKLER AREARS	850			45	755	50		805	50
AMERICAN LAKE,WA	REPLACE EXIT DOORS	96	92		4			4		
AMERICAN LAKE,WA	SPRINKLER SYSTEM	174	168		6			6		
AMERICAN LAKE,WA	ADDITIONAL EXITS	1,091	1,066	6	19			19		
ANN ARBOR,MI	DEADEND CORRIDOR STAIRS	589	37	6	505	41		546	41	
ASHEVILLE(OTEEN),NC	MODIFY NURSE SERVERS	182	182							
AUGUSTA(FHD),GA	SMOKE BARRIERS	147	105	42						
BATAVIA,NY	DEADEND CORRIDOR STAIRS	389	367	22						
BECKLEY,WV	DEADEND CORRIDOR STAIRS	537	492	7	38			38		
BEDFORD,MA	DEADEND CORRIDOR STAIRS	631	632	-1						
BILOXI(GD),MS	ADDITIONAL EXITS	493	499	-6						
BIRMINGHAM,AL	REPLACE FIRE ALARM SYST	428	428							
BONHAM,TX	DEADEND CORRIDOR STAIRS	414	409		5			5		
BUFFALO,NY	SMOKE BARRIERS	435	435							
BUTLER,PA	INSTALL SMOKE BARRIERS REOPEN FOR CLAIM	5			5			5		
CANANDAIGUA,NY	REVERSE DOOR SWING	200	198	-1	3			3		
CANANDAIGUA,NY	SPRINKLER SYSTEM	96	96							
CHICAGO(WS),IL	SPRINKLER SYSTEM	236	212	20	4			4		
CLEVELAND(BRECKSVLE),OH	SPRINKLER SYSTEM	359	342	17						
CLEVELAND(BRECKSVLE),OH	REPLACE FIRE ALARM SYSTEM	945			775	170		945	170	

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (G)-ELIM OF SAFETY HAZARDS								
COLUMBIA,SC	DEADEND CORRIDOR STAIRS	209						
DANVILLE,IL	SMOKE DOOR HOLDERS	225						
DES MOINES,IA	REPLACE AND UPGRADE FIRE ALARM SYSTEM	297						
DUBLIN,GA	SAFETY AND FIRE DEFICIENCIES	960						
EAST ORANGE,NJ	SURGICAL SUITE CLINICAL LAB A/C	785						
FARGO,ND	DEADEND CORRIDOR STAIRS	313						
FAYETTEVILLE,AK	DEADEND CORRIDOR STAIRS	562						
FORT HARRISON,MT	UPGRADE AND EXTEND FIRE ALARM SYSTEM	143						
FORT LYON,CO	DEADEND CORRIDOR STAIRS	429						
FORT WAYNE, IN	DEADEND CORRIDOR STAIRS	708						
INDIANAPOLIS(TSD),IN	SMOKE BARRIERS	466						
KANSAS CITY,MO	REPLACE FIRE ALARM SYS	554						
KNOXVILLE,IA	CITY SEWAGE CONN SYS	1,100						
LEBANON,PA	SPRINKLER SYSTEM	462						
LEXINGTON(LD),KY	DEADEND CORRIDOR STAIRS	260						
LONG BEACH,CA	SMOKE DOOR HOLDERS	971						
LOS ANGELES(BH),CA	DEADEND CORRIDOR STAIRS	1,047						
MANCHESTER,NH	UPGRADE AND EXTEND FIRE ALARM SYSTEM	267						
MARLIN,TX	SAFETY AND FIRE DEFICIENCIES	1,000						
MINNEAPOLIS,MN	REPLACE FIRE ALARM SYS	349						
MONTGOMERY,AL	DEADEND CORRIDOR STAIRS	510						
MONTROSE,NY	DEADEND CORRIDOR STAIRS	435						
NEW YORK,NY	SMOKE DOOR HOLDERS	288						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (G)-ELIM OF SAFETY HAZARDS										
COLUMBIA,SC	DEADEND CORRIDOR STAIRS	209	209							
DANVILLE,IL	SMOKE DOOR HOLDERS	225	216	1	8			8		
DES MOINES,IA	REPLACE AND UPGRADE FIR ALARM SYSTEM	297	26	252	10	9		19	9	
DUBLIN,GA	SAFETY AND FIRE DEFICIENCIES	960			785	115	60	960	175	60
EAST ORANGE,NJ	SURGICAL SUITE CLINICA LAB A/C	785	770	-5	20			20		
FARGO,ND	DEADEND CORRIDOR STAIRS	313	313							
FAYETTEVILLE,AK	DEADEND CORRIDOR STAIRS	562	523		39			39		
FORT HARRISON,MT	UPGRADE AND EXTEND FIRE ALARM SYSTEM	143	140	-1	4			4		
FORT LYON,CO	DEADEND CORRIDOR STAIRS	429	22	43	364			364		
FORT WAYNE, IN	DEADEND CORRIDOR STAIRS	708	675	9	24			24		
INDIANAPOLIS(TSD),IN	SMOKE BARRIERS	466	434	17	15			15		
KANSAS CITY,MO	REPLACE FIRE ALARM SYS	554	518	6	30			30		
KNOXVILLE,IA	CITY SEWAGE CONN SYS	1,100				1,090	10	1,100	1,100	10
LEBANON,PA	SPRINKLER SYSTEM	462	436	9	17			17		
LEXINGTON(LO),KY	DEADEND CORRIDOR STAIRS	260	248	3	9			9		
LONG BEACH,CA	SMOKE DOOR HOLDERS	971	58	86	827			827		
LOS ANGELES(GH),CA	DEADEND CORRIDOR STAIRS	1,047	880	100	67			67		
MANCHESTER,NH	UPGRADE AND EXTEND FIRE ALARM SYSTEM	267	257	-1	11			11		
MARLIN,TX	SAFETY AND FIRE DEFICIENCIES	1,000		67	765	168		933	168	
MINNEAPOLIS,MN	REPLACE FIRE ALARM SYS	349	349							
MONTGOMERY,AL	DEADEND CORRIDOR STAIRS	510	470	12	28			28		
MONTROSE,NY	DEADEND CORRIDOR STAIRS	435	435							
NEW YORK,NY	SMOKE DOOR HOLDERS	288	288							

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (G)-ELIM OF SAFETY HAZARDS								
NORTHAMPTON,MA	ELMINATION OF SAFETY AND FIRE DEFICIENCIES	917						
PERRY POINT,MD	DEADEND CORRIDOR STAIRS	231						
PHILADELPHIA(VAH),PA	FIRE ALARM AND SMOKE PARTITIONS	800						
POPLAR BLUFF,MO	ADDITIONAL EXITS	407						
POPLAR BLUFF,MO	SMOKE BARRIERS	266						
PRESCOTT	DEADEND CORRIDOR STAIRS	708						
PROVIDENCE,RI	DEADEND CORRIDOR STAIRS	885						
RENO,NV	STAIRWELL DEADEND	98						
SAGINAW,MI	DEADEND CORRIDOR STAIRS	852						
SALT LAKE CITY,UT	DEADEND CORRIDOR STAIRS	138						
SAN ANTONIO,TX	SMOKE EXHAUST FANS	229						
SAN DIEGO,CA	STANDPIPE SYSTEM	218						
SEATTLE,WA	DEADEND CORRIDOR STAIRS CANCELLED	7						
SEPULVEDA,CA	SPRINKLER SYSTEM	236						
SHERIDAN,WY	DEADEND CORRIDOR STAIRS	818						
SPOKANE,WA	DEADEND CORRIDOR STAIRS	296						
ST.LOUIS(SLO),MO	DEADEND CORRIDOR STAIRS	796						
SYRACUSE,NY	SMOKE BARRIERS	271						
TOPEKA,KS	DEADEND CORRIDOR STAIRS	164						
TUCSON,AZ	REPLACE AND UPGRADE FIRE ALARM SYSTEM	441						
TUSCALOOSA,AL	SPRINKLER SYSTEM	308						
TUSKEGEE,AL	DEADEND CORRIDOR STAIRS	323						
TUSKEGEE,AL	SAFETY AND FIRE PROTECTION	525						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	1981	1982
OTHER IMPR (G)-ELIM OF SAFETY HAZARDS										
NORTHAMPTON,MA	ELMINATION OF SAFETY AND FIRE DEFICIENCIES	917	903	13	1			1		
PERRY POINT,MD	DEADEND CORRIDOR STAIRS	231	15	25	191			191		
PHILADELPHIA(VAH),PA	FIRE ALARM AND SMOKE PARTITIONS	800			665	135		800	135	
POPLAR BLUFF,MO	ADDITIONAL EXITS	407	399		8			8		
POPLAR BLUFF,MO	SMOKE BARRIERS	266	265		1			1		
PRESCOTT	DEADEND CORRIDOR STAIRS	708	693	2	13			13		
PROVIDENCE,RI	DEADEND CORRIDOR STAIRS	885	76	756	20	33		53	33	
RENO,NV	STAIRWELL DEADEND	98	85		13			13		
SAGINAW,MI	DEADEND CORRIDOR STAIRS	852	91		645	60	56	761	116	56
SALT LAKE CITY,UT	DEADEND CORRIDOR STAIRS	138	135		3			3		
SAN ANTONIO,TX	SMOKE EXHAUST FANS	229	217		12			12		
SAN DIEGO,CA	STANDPIPE SYSTEM	218	218							
SEATTLE,WA	DEADEND CORRIDOR STAIRS CANCELLED	7	5		2			2		
SEPULVEDA,CA	SPRINKLER SYSTEM	236	220		16			16		
SHERIDAN,WY	DEADEND CORRIDOR STAIRS	818	796	17	5			5		
SPOKANE,WA	DEADEND CORRIDOR STAIRS	296	293	2	1			1		
ST.LOUIS(SLD),MO	DEADEND CORRIDOR STAIRS	796		52	705	39		744	39	
SYRACUSE,NY	SMOKE BARRIERS	271	267	-1	5			5		
TOPEKA,KS	DEADEND CORRIDOR STAIRS	164	150		14			14		
TUCSON,AZ	REPLACE AND UPGRADE FIRE ALARM SYSTEM	441		411	15	15		30	15	
TUSCALOOSA,AL	SPRINKLER SYSTEM	308	85		223			223		
TUSKEGEE,AL	DEADEND CORRIDOR STAIRS	323	313	8	2			2		
TUSKEGEE,AL	SAFETY AND FIRE PROTECTION	525	489	27	9			9		

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CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

15-96

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (G)-ELIM OF SAFETY HAZARDS								
TUSKEGEE,AL	SAFETY AND FIRE DEFICIENCIES	512						
WACO,TX	DEADEND CORRIDOR STAIRS	515						
WACO,TX	UPGRADE AND EXTEND FIRE ALARM SYSTEM	484						
WEST HAVEN,CT	REPLACE FIRE ALARM SYS	380						
WEST HAVEN,CT	AUTOMATIC SPRINKLER	526						
WHITE RIVER JUNCTION,VT	SANITARY SEWER TREAT CTR	171						
WICHITA,KS	DEADEND CORRIDOR STAIRS	235						
WILMINGTON,DE	DEADEND CORRIDOR STAIRS	924						
VARIOUS STATIONS	FY75 PROGRAM BALANCE	1						
VARIOUS STATIONS	FY76 PROGRAM BALANCE	819						
VARIOUS STATIONS	FY77 PROGRAM BALANCE	1,007						
VARIOUS STATIONS	FY78 PROGRAM BALANCE	577						
VARIOUS STATIONS	FY79 PROGRAM BALANCE	473						
VARIOUS STATIONS	FY80 PROGRAM BALANCE	770						
VARIOUS STATIONS	FY81 PROGRAM BALANCE	771						
SUBTOTAL (86)		47603	37256	2541	-4	39793	7810	

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (G)-ELIM OF SAFETY HAZARDS										
TUSKEGEE,AL	SAFETY AND FIRE DEFICIENCIES	512	46	425	15	25	1	41	26	1
WACO,TX	DEADEND CORRIDOR STAIRS	515	506	6	3			3		
WACO,TX	UPGRADE AND EXTEND FIRE ALARM SYSTEM	484	426	39	19			19		
WEST HAVEN,CT	REPLACE FIRE ALARM SYS	380	359	8	13			13		
WEST HAVEN,CT	AUTOMATIC SPRINKLER	526	441	14	71			71		
WHITE RIVER JUNCTION,VT	SANITARY SEWER TREAT CT	171	171							
WICHITA,KS	DEADEND CORRIDOR STAIRS	235		10	10	210	5	225	215	5
WILMINGTON,DE	DEADEND CORRIDOR STAIRS	924	26	74	765	30	29	824	59	29
VARIOUS STATIONS	FY75 PROGRAM BALANCE	1			1			1		
VARIOUS STATIONS	FY76 PROGRAM BALANCE	819			65	720	34	819	754	34
VARIOUS STATIONS	FY77 PROGRAM BALANCE	1,007			10	930	67	1,007	997	67
VARIOUS STATIONS	FY78 PROGRAM BALANCE	577			5	535	37	577	572	37
VARIOUS STATIONS	FY79 PROGRAM BALANCE	473			35	410	28	473	438	28
VARIOUS STATIONS	FY80 PROGRAM BALANCE	770			50	670	50	770	720	50
VARIOUS STATIONS	FY81 PROGRAM BALANCE	771			25	710	36		746	36
SUBTOTAL (86)		47603	20854	2598	8163	8290	7698	11800	8178	7698

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (H)-ELEVATORS								
VARIOUS STATIONS	FY1982 REQUEST	3,665					3,665	
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET		2,660	3,365	1	6,026		
BILOXI(BO),MS	ADDITIONAL ELEVATORS BLDG, NO. 3 AND 4	305						
HOT SPRINGS,SD	ONE ADDITIONAL ELEVATOR BLDG. NO.12	444						
KNOXVILLE,IA	INSTALL ADDN ELEVATORS B-67/68/74 AND 101	265						
MONTROSE,NY	FOUR ELEVATORS	893						
ROSEBURG,OR	TWO SERVICE ELEVATORS BLDG.NO.1	1,700						
TAMPA,FL	TWO ADDITIONAL ELEVATORS	1,400						
VARIOUS STATIONS	FY78 PROGRAM BALANCE	75						
VARIOUS STATIONS	FY79 PROGRAM BALANCE	944						
VARIOUS STATIONS	FY81 PROGRAM BALANCE							
SUBTOTAL (11)		9691	2660	3365	1	6026	3665	

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)

($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	OBLIGATIONS ACTUAL FOR 1980	OBLIGATIONS ESTIMATED FOR 1981	OBLIGATIONS ESTIMATED FOR 1982	OBLIGATIONS ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (H)-ELEVATORS										
VARIOUS STATIONS	FY1982 REQUEST	3,665				205	3,460			3,460
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET									
BILOXI(BO),MS	ADDITIONAL ELEVATORS BLDG. NO. 3 AND 4	305	277	1	27			27		
HOT SPRINGS,SD	ONE ADDITIONAL ELEVATOR BLDG. NO.12	444	446	-2						
KNOXVILLE,IA	INSTALL ADDN ELEVATORS B-67/68/74 AND 101	265			15	245	5		250	5
MONTROSE,NY	FOUR ELEVATORS	893	850	7	36			36		
ROSEBURG,OR	TWO SERVICE ELEVATORS BLDG.NO.1	1,700			1,410	110	180		290	180
TAMPA,FL	TWO ADDITIONAL ELEVATOR	1,400			1,265	25	110		135	110
VARIOUS STATIONS	FY78 PROGRAM BALANCE	75			70		5	75	5	5
VARIOUS STATIONS	FY79 PROGRAM BALANCE	944			35	795	114	944	909	114
VARIOUS STATIONS	FY81 PROGRAM BALANCE									
SUBTOTAL (11)		9691	1573	6	2858	1380	3874	1082	1589	3874

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CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

15-100

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (I)-ENERGY CONSERVATION								
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET		8,297	1,624		9,921		
CHARLESTON,SC	HEAT RUN AROUND SYS	461						
DURHAM,NC	ENERGY RETROFIT HVAC	907						
JACKSON,MS	ENERGY RECOVERY COILS	360						
LOMA LINDA, CA	RETROFIT HVAS SYS	500						
MIAMI,FL	ENERGY CONSERVATION SYS	346						
NASHVILLE,TN	ENERGY RECOVERY COILS	463						
NEW YORK,NY	HEAT WHEELS	856						
SAN JUAN, PR	SOLAR COLLECTOR SYSTEM	924						
TUCSON,AZ	ENERGY CONSERVATION	60						
WASHINGTON, DC	HVAC HEAT RECLAMATION	688						
VARIOUS STATIONS	FY78 PROGRAM BALANCE	349						
VARIOUS STATIONS	FY79 PROGRAM BALANCE	406						
VARIOUS STATIONS	FY80 PROGRAM BALANCE	1,977						
VARIOUS STATIONS	FY81 PROGRAM BALANCE	1,624						
SUBTOTAL (15)		9921	8297	1624		9921		

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND DF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (I)-ENERGY CONSERVATION										
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET									
CHARLESTON,SC	HEAT RUN AROUND SYS	461	434	5	22			22		
DURHAM,NC	ENERGY RETROFIT HVAC	907	11	58	800	38		838	38	
JACKSON,MS	ENERGY RECOVERY COILS	360	332	6	22			22		
LOMA LINDA, CA	RETROFIT HVAS SYS	500	468	10	22			22		
MIAMI,FL	ENERGY CONSERVATION SYS	346	53	271	22			22		
NASHVILLE,TN	ENERGY RECOVERY COILS	463	432	3	28			28		
NEW YORK,NY	HEAT WHEELS	856	802		54			54		
SAN JUAN, PR	SOLAR COLLECTOR SYSTEM	924			880	40	4	924	44	4
TUCSON,AZ	ENERGY CONSERVATION	60	60							
WASHINGTON, DC	HVAC HEAT RECLAMATION	688		31	510	65	82	657	147	82
VARIOUS STATIONS	FY78 PROGRAM BALANCE	349			25	300	24	349	324	24
VARIOUS STATIONS	FY79 PROGRAM BALANCE	406			30	350	26	406	376	26
VARIOUS STATIONS	FY80 PROGRAM BALANCE	1,977			150	1,720	107	1,977	1,827	107
VARIOUS STATIONS	FY81 PROGRAM BALANCE	1,624			105	1,445	74		1,519	74
SUBTOTAL (15)		9921	2592	384	2678	3958	317	5321	4275	317

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

15-102

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (J)-ADMIN DISCRETIONARY FUND								
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET		559		-40	519		
HARTFORD,CT	SPACE PROBLEM RENOV.	120						
MILWAUKEE,WI	PROPOSED ALTERATION OF FEDERAL BLDG.	164						
ST.PETERSBURG,FL	PROPOSED ALTER TO AND RESIGNMENT OF VARO	192						
VARIOUS STATIONS	FYTQ ADMIN DISC FUND	42						
VARIOUS STATIONS	FY78 ADMIN DSC FUND	1						
SUBTOTAL (6)		519	559		-40	519		

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND DF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
OTHER IMPR (J)-ADMIN DISCRETIONARY FUND										
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET									
HARTFORD,CT	SPACE PROBLEM RENOV.	120	120							
MILWAUKEE,WI	PROPOSED ALTERATION OF FEDERAL BLDG.	164	164							
ST.PETERSBURG,FL	PROPOSED ALTER TO AND RESIGNMENT OF VARO	192	192							
VARIOUS STATIONS	FY80 ADMIN DISC FUND	42			40		2	42	2	2
VARIOUS STATIONS	FY78 ADMIN DSC FUND	1			1			1		
SUBTOTAL (6)		519	476		41		2	43	2	2

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
OTHER IMPR (K)-ADVANCE PLANNING FUND								
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET		8,323			8,323		
VARIOUS STATIONS	FY79 ADVANCE PLANNING FUND	4,000						
VARIOUS STATIONS	FY78 ADVANCE PLANNING FUND	4,323						
SUBTOTAL (3)		8323	8323			8323		
SUB-TOTAL, OTHER IMPROVEMENTS (754)		$468080	$281428	$74563	$-34	$355957	$110620	1503

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND DF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	1981	1982
OTHER IMPR (K)-ADVANCE PLANNING FUND										
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET									
VARIOUS STATIONS	FY79 ADVANCE PLANNING FUND	4,000	252	3,415	315	18		333	18	
VARIOUS STATIONS	FY78 ADVANCE PLANNING FUND	4,323	3,656	667						
SUBTOTAL (3)		8323	3908	4082	315	18		333	18	
SUB-TOTAL, OTHER IMPROVEMENTS (754)		$468080	$166750	$47633	$58913	$76006	$118778	$67011	$82661	$118778

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
NATIONAL CEMETERIES								
VARIOUS STATIONS	FY1982 REQUEST	2,800					2,800	
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET		19,796	3,173	-1	22,968		
VARIOUS STATIONS	LESS FIN COMPLETED PROJECTS		-1,197			-1,197		
BLACK HILLS,SD	DEVELOP 7 ACRES	718						
CALVERTON, NY	38 ACRES GRAVESITE DEVELOPMENT	1,256						
CAMP BUTLER,IL	DEVELOP 10 ACRES	232						
CAMP NELSON,NY	DEVELOP 5 ACRES	265						
CHATTANOOGA,TN	RELOCATE DRIVES	36						
CHATTANOOGA,TN	CONSTRUCT SERVICE BLDG.	817						
CHATTANOOGA,TN	5 ACRES DEV NEW ENTR GATE DRIVE	462						
CHATTANOOGA,TN	POND AND RELATED ROAD AND FILL	942						
CULPEPER,VA	FACILITY UPGRADING ENT.DR.DEV BUR	280						
DAYTON,OH	ADMIN SERVICE BLDGS AND DEVELOP 5 ACRES	830						
FORT LOGAN,CO	NEW WATER LINES FIRE HYDRANTS LAWN WAT.SYS	117						
FORT ROSECRANS,CA	LAWN WATERING	978						
FORT SCOTT,KS	LAWN WATERING SYSTEM	114						
FORT SNELLING,MN	NEW ENTRANCE DRIVE AND GATE	351						
FT. GIBSON, OK	DEVELOP 5 ACRES	270						
FT.SAM HOUSTON, TX	SERVICE BLDG AND ADDITIONAL FACILITIES	362						
FT.SAM HOUSTON, TX	PURCHASE 31.6 ACRES	120						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	1981	1982
NATIONAL CEMETERIES										
VARIOUS STATIONS	FY1982 REQUEST	2,800				255	2,545			2,545
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET									
VARIOUS STATIONS	LESS FIN COMPLETED PROJECTS									
BLACK HILLS,SD	DEVELOP 7 ACRES	718	700	17	1			1		
CALVERTON, NY	38 ACRES GRAVESITE DEVELOPMENT	1,256	1,235	11	10			10		
CAMP BUTLER,IL	DEVELOP 10 ACRES	232	223	-1	10			10		
CAMP NELSON,NY	DEVELOP 5 ACRES	265	255	3	7			7		
CHATTANOOGA,TN	RELOCATE DRIVES	36	34	1	1			1		
CHATTANOOGA,TN	CONSTRUCT SERVICE BLDG.	817	43	717	57			57		
CHATTANOOGA,TN	5 ACRES DEV NEW ENTR GATE DRIVE	462	18	413	31			31		
CHATTANOOGA,TN	POND AND RELATED ROAD AND FILL	942	40	838	35	29		64	29	
CULPEPER,VA	FACILITY UPGRADING ENT.OR.DEV BUR	280		8	255	17		272	17	
DAYTON,OH	ADMIN SERVICE BLDGS AND DEVELOP 5 ACRES	830	3	-1		775	53	828	828	53
FORT LOGAN,CO	NEW WATER LINES FIRE HYDRANTS LAWN WAT.SYS	117	115	-2	4			4		
FORT ROSECRANS,CA	LAWN WATERING	978	851	44	83			83		
FORT SCOTT,KS	LAWN WATERING SYSTEM	114	114							
FORT SNELLING,MN	NEW ENTRANCE DRIVE AND GATE	351	35	293	23			23		
FT. GIBSON, OK	DEVELOP 5 ACRES	270			245	10	15	270	25	15
FT.SAM HOUSTON, TX	SERVICE BLDG AND ADDITIONAL FACILITIES	362	327	31	4			4		
FT.SAM HOUSTON, TX	PURCHASE 31.6 ACRES	120		120						

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
NATIONAL CEMETERIES								
GOLDEN GATE NAT.CEM.,CA	LAWN WATERING SYSTEM	792						
GOLDEN GATE,CA	LAWN WATERING SYSTEM	304						
HOUSTON,TX	SERVICE BLDG	173						
HOUSTON,TX	DEVELOP 15 ACRES FOR BAURIL	517						
KEOKUK,IA	SERVICE BLDG. ADDITIONAL FACILITIES	498						
LEAVENWORTH,KS	ENTRANCE GATE AND DRIVE	1,075						
LOS ANGELES,CA	RENOVATION OF SERVICE AREA AND ADMIN BLDG	392						
MARION,IN	ADMINISTRATION SERVICE BUILDING	207						
REGION V	SITE ACQUISTION	175						
ROCK ISLAND NATIONAL CEM	INSTALL WATER LINES	176						
SAN JUAN, PR	SERVICE BUILDING	362						
SAN JUAN, PR	ADMIN BLDG.	850						
SAN JUAN, PR	DEVELOP 12 ACRES	982						
SANTA FE,NM	ADMINISTRATION SERVICE BUILDING	354						
SANTA FE,NM	CONSTR OF DRAINEAGE ARROY	101						
WILLAMETTE,OR	COLUMBRIAIRM	700						
VARIOUS STATIONS	FY75 PROGRAM BALANCE	10						
VARIOUS STATIONS	FY76 PROGRAM BALANCE	24						
VARIOUS STATIONS	FYTQ PROGRAM BALANCE	5						
VARIOUS STATIONS	FY77 PROGRAM BALANCE	831						
VARIOUS STATIONS	FY78 PROGRAM BALANCE	1,530						
VARIOUS STATIONS	FY80 PROGRAM BALANCE	390						
VARIOUS STATIONS	FY81 PROGRAM BALANCE	3,173						
SUBTOTAL (43)		24571	18599	3173	-1	21771	2800	

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND DF APPROPRIATION)

($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	OBLIGATIONS: ACTUAL FOR 1980	OBLIGATIONS: ESTIMATED FOR 1981	OBLIGATIONS: ESTIMATED FOR 1982	OBLIGATIONS: ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	UNOBLIGATED APPROPRIATION END OF YEAR 1981	UNOBLIGATED APPROPRIATION END OF YEAR 1982
NATIONAL CEMETERIES										
GOLDEN GATE NAT.CEM.,CA	LAWN WATERING SYSTEM	792	792							
GOLDEN GATE,CA	LAWN WATERING SYSTEM	304	271	17	16			16		
HOUSTON,TX	SERVICE BLDG	173	12	153	5	3		8	3	
HOUSTON,TX	DEVELOP 15 ACRES FOR BAURIL	517	30	450	37			37		
KEOKUK,IA	SERVICE BLDG. ADDITIONAL FACILITIES	498		1	430	67		497	67	
LEAVENWORTH,KS	ENTRANCE GATE AND DRIVE	1,075	71	5	840	159		999	159	
LOS ANGELES,CA	RENOVATION OF SERVICE AREA AND ADMIN BLDG	392			325	35	32	392	67	32
MARION,IN	ADMINISTRATION SERVICE BUILDING	207	207							
REGION V	SITE ACQUISTION	175		175						
ROCK ISLAND NATIONAL CE	INSTALL WATER LINES	176	125	29	22			22		
SAN JUAN, PR	SERVICE BUILDING	362	347	15						
SAN JUAN, PR	ADMIN BLDG.	850		62	35	753		788	753	
SAN JUAN, PR	DEVELOP 12 ACRES	982			895	45	42	982	87	42
SANTA FE,NM	ADMINISTRATION SERVICE BUILDING	354	335		19			19		
SANTA FE,NM	CONSTR OF DRAINEAGE ARROY	101				100	1	101	101	1
WILLAMETTE,OR	COLUMBRIAIRM	700	50	5	550	35	60	645	95	60
VARIOUS STATIONS	FY75 PROGRAM BALANCE	10			10			10		
VARIOUS STATIONS	FY76 PROGRAM BALANCE	24			20		4	24	4	4
VARIOUS STATIONS	FY79 PROGRAM BALANCE	5				5		5	5	
VARIOUS STATIONS	FY77 PROGRAM BALANCE	831			775	5	51	831	56	51
VARIOUS STATIONS	FY78 PROGRAM BALANCE	1,530				1,255	275	1,530	1,530	275
VARIOUS STATIONS	FY80 PROGRAM BALANCE	390			25	350	15	390	365	15
VARIOUS STATIONS	FY81 PROGRAM BALANCE	3,173			155	2,890	128		3,018	128
SUBTOTAL (43)		24571	6233	3404	4925	6788	3221	8961	7209	3221

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
COMPUTER CENTERS ADDN & ALTERATIONS								
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET		3,623	1,322	499	5,444		
AUSTIN,TX	UNINTERRUPTABLE POWER SUPPLY SYSTEM	858						
AUSTIN,TX	UPGRADE DPC FOR INSTALLATION OF 370/168	180						
AUSTIN,TX	ALTERATION OF AUSTIN DPC	225						
CHICAGO(DPC),IL	RELOCATE DPC RO	298						
HINES(DPC),IL	ELECTRICAL CONNECTION	125						
HINES(DPC),IL	EMERGENCY POWER	245						
HINES(DPC),IL	DATA PROCESSING CENTER	1,360						
HINES(VAH),IL	LOADING DOCK WAREHOUSE ADDITION	236						
LOS ANGELES,CA	PROPROSED ALTERATIONS OF FEDERAL BLDG.	732						
PHILADELPHIA(DPC),PA	EXPANSION OF DATA PROCESSING CENTER	252						
PHILADELPHIA(DPC),PA	INSTALLATION OF UPS	885						
VARIOUS STATIONS	FY78 PROGRAM BALANCE	47						
VARIOUS STATIONS	FY79 PROGRAM BALANCE	1						
VARIOUS STATIONS	FY81 PROGRAM BALANCE							
SUBTOTAL (15)		5444	3623	1322	499	5444		

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	1981	1982
COMPUTER CENTERS ADDN + ALTERATIONS										
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET									
AUSTIN,TX	UNINTERRUPTABLE POWER SUPPLY SYSTEM	858	834		24			24		
AUSTIN,TX	UPGRADE DPC FOR INSTALLATION OF 370/168	180		146	20	14		34	14	
AUSTIN,TX	ALTERATION OF AUSTIN DPC	225		157	68			68		
CHICAGO(DPC),IL	RELOCATE DPC RO	298	298							
HINES(DPC),IL	ELECTRICAL CONNECTION	125	98	27						
HINES(DPC),IL	EMERGENCY POWER	245		233	5	7		12	7	
HINES(DPC),IL	DATA PROCESSING CENTER	1,360			1,265	95		38	95	
HINES(VAH),IL	LOADING DOCK WAREHOUSE ADDITION	236		225	5	6		11	6	
LOS ANGELES,CA	PROPROSED ALTERATIONS OF FEDERAL BLDG.	732	468	76	188			188		
PHILADELPHIA(DPC),PA	EXPANSION OF DATA PROCESSING CENTER	252	241		11			11		
PHILADELPHIA(DPC),PA	INSTALLATION OF UPS	885	296	547		42		42	42	
VARIOUS STATIONS	FY78 PROGRAM BALANCE	47			45		2	47	2	2
VARIOUS STATIONS	FY79 PROGRAM BALANCE	1			1			1		
VARIOUS STATIONS	FY81 PROGRAM BALANCE									
SUBTOTAL (15)		5444	2235	1411	1632	164	2	476	166	2

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
REGIONAL OFFICE REPL RENOVA								
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET		3,548	1,626		5,174		
ANCHEROGE	RO RELOCATION	65						
CHEYENNE,WY	BENIFITS OFFICE ANNEX	1,000						
FORT HARRISON,MT	REMODELING OF OVB PACE	68						
HUNTINGTON,WV	RENOVATION OF VARO	40						
RENO,NV	REGIONAL OFFICE RELOCATION AND ALTS.	65						
VARIOUS STATIONS	REGIONAL OFFICE REPLACE AND RENOVATION	842						
VARIOUS STATIONS	FY80 PROGRAM BALANCE	1,468						
VARIOUS STATIONS	FY81 PROGRAM BALANCE	1,626						
SUBTOTAL (9)		5174	3548	1626		5174		

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CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS: ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	1981	1982
REGIONAL OFFICE REPL	RENOVA									
VARIOUS STATIONS	APPRO AVAIL IN FY1981 BUDGET									
ANCHERAGE	RO RELOCATION	65			5	55	5	65	60	5
CHEYENNE,WY	BENIFITS OFFICE ANNEX	1,000			70	840	90	1,000	930	90
FORT HARRISON,MT	REMODELING OF DVB PACE	68				65	3	68	68	3
HUNTINGTON,WV	RENOVATION OF VARO	40		36	4			4		
RENO,NV	REGIONAL OFFICE RELOCATION AND ALTS.	65		65						
VARIOUS STATIONS	REGIONAL OFFICE REPLACE AND RENOVATION	842				785	57	842	842	57
VARIOUS STATIONS	FY80 PROGRAM BALANCE	1,468			1,405		63	1,468	63	63
VARIOUS STATIONS	FY81 PROGRAM BALANCE	1,626			80	1,490	56		1,546	56
SUBTOTAL (9)		5174		101	1564	3235	274	3447	3509	274

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1978 FUNDING INCLUDES C OF H AND DF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	APPROPRIATION PLAN: AVAIL THRU 1980 IN 81 BUDG	NET 1981 APPRO	ADJUSTMENTS	TOTAL AVAIL THRU 1981	REQUIRED FOR 1982	FOR FUTURE CONSIDERATION
GENERAL ADMINISTRATION								
TOTAL (870)		$537191	$335420	$82564	$464	$418448	$115800	2943
GENERAL ADMINISTRATION		148,000	88,939	26,344	-462	114,821	33,179	
TOTAL		$685,191	$424359	$108908	$2	$533269	$148979	$2943
	PAYRAISE	1862		1862		1862		
	REPROGRAMMED FROM FY1981	-559		-559		-559		
GRAND TOTAL		$686494	$424359	$110211	$2	$534572	$148979	$2943

CONSTRUCTION, MINOR PROJECTS APPROPRIATIONS

(STATUS OF CURRENT CONSTRUCTION PROJECTS - PRIOR 1980 FUNDING INCLUDES C OF H AND OF APPROPRIATION)
($000)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST	OBLIGATIONS ACTUAL THRU 1979	ACTUAL FOR 1980	ESTIMATED FOR 1981	ESTIMATED FOR 1982	ESTIMATED FOR FUTURE	UNOBLIGATED APPROPRIATION END OF YEAR 1980	1981	1982
GENERAL ADMINISTRATION										
TOTAL (870)		$537191	$191649	$55720	$70266	$94391	$125165	$88515	$100813	$122222
GENERAL ADMINISTRATION		148,000	65,109	23,368	26,344	33,179				
TOTAL		$685191	$256758	$79088	$96610	$127570	$125165	$88515	$100813	$122222
	PAYRAISE	1862			1862					
GRAND TOTAL		$687053	$256758	$79088	$98472	$127570	$125165	$88515	$100254	$121663

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GENERAL ADMINISTRATION

The General Administration activity of the Construction Minor Projects Appropriation provides for all the cost of the Office of Construction in FY 1982.

The General Administration costs consist of salaries and related expenses of the personnel of the Office of Construction engaged in the (1) design and construction of Veterans Administration medical centers, domiciliaries and other facilities, and (2) acquisition, utilization, and disposition of VA real property.

The architect-engineer contract costs and the salaries and related costs of the labor force hired by the VA for construction projects are funded as part of the construction major or minor project costs, as applicable, (average employment under these construction funds is as follows: 1980-42; 1981-75; 1982-75).

SUMMARY OF OBLIGATED REQUIREMENTS BY OBJECT FOR GENERAL ADMINISTRATION

(In Thousands of Dollars)

	1980 Actual	1981 Estimate	1982 Estimate	Diff. FY 82 Over FY 81
Average Employment	688	~~735~~ ~~749~~	~~790~~ ~~851~~	~~55~~ ~~+102~~
Obligations				
Personnel Compensation	$18,421	~~20,946~~ ~~$21,083~~	~~23,321~~ ~~$25,090~~	~~+2,475~~ ~~$+4,007~~
Permanent positions	(18,118)	~~(20,399)~~ ~~(20,634)~~	~~(22,696)~~ ~~(24,466)~~	~~(+2,297)~~ ~~(+3,832)~~
Positions other than permanent	(88)	(121)	(144)	(+23)
Other personnel compensation	(215)	~~(326)~~ ~~(327)~~	~~(481)~~ ~~(486)~~	~~(+155)~~ ~~(+159)~~
Personnel benefits	1,859	~~2,315~~ ~~2,338~~	~~2,743~~ ~~2,914~~	~~+428~~ ~~+576~~
Total pers. comp. and benefits	20,280	~~23,161~~ ~~23,421~~	~~26,064~~ ~~28,004~~	~~+2,903~~ ~~+4,583~~
Travel and transportation of persons	672	~~985~~ ~~1,000~~	~~1,206~~ ~~1,246~~	~~+221~~ ~~+246~~
Transportation of things	146	201	~~240~~ ~~245~~	~~+39~~ ~~+44~~
Rent, communication and utilities	432	523	494	-29
Printing & reproduction	337	250	340	+90
Other services	1,055	~~2,159~~ ~~2,234~~	2,275	~~+116~~ ~~+141~~
Supplies and materials	118	210	~~170~~ ~~175~~	~~-40~~ ~~-35~~
Equipment	328	~~317~~ ~~361~~	~~390~~ ~~400~~	~~+73~~ ~~+117~~
Total Obligations	23,368	~~27,806~~ ~~28,206~~	~~31,179~~ ~~33,119~~	~~+3,373~~ ~~+4,973~~

FUNCTIONS OF ORGANIZATIONAL ELEMENTS

1. The following functions are performed by the elements of the Office of Construction.

Office of Assistant Administrator - The Assistant Administrator for Construction provides overall direction to the construction program. His office and its immediate staff including the Deputy Assistant Administrator for Construction provide for planning, design, and construction operations as follows:

a. Architect-Engineer Evaluation Board is responsible for evaluating architect-engineer firms for Central Office contracts.

b. Management Staff is responsible for the development, coordination, and control of the administrative, management, and personnel policies in the Office of Construction.

c. Program Control & Analysis Staff is responsible for the programming, budgeting, accounting and control of project construction funds. They also provide reporting and statistical services along with a scheduling and reporting system for the processing of construction projects.

d. Research Staff conducts a research and development program in building technology as related to design and construction of Veterans Administration facilities. This program, established to provide continual liaison with all sources of data in private industry and government on the latest advances in building technology and also to initiate and conduct research into new concepts in this field, is accomplished by in-house capacity and through contracts with outside consultants.

e. Contract Administration Staff serves as principal advisor to the Project Directors and the Assistant Administrator for Construction on all contracting matters, and provides guidance for the negotiations, issue, award, execution and administration of contracts for architectural and engineering services and for construction.

f. Information Systems Support Staff is responsible for the development, design, implementation, and control of all management and technical automated applications utilized in the accomplishment of the construction program.

g. Project Directors direct, control, expedite, and coordinate planning, design, and construction of projects to satisfy agency construction requirements. They serve as architect-engineer and construction contracting officers for assigned projects; review and evaluate contract progress, and obtain authorizations for contract changes and funding increases when required.

h. Planning provides Health Care Facilities, Land Management, and Estimating Services to the Project Directors. These services involve the development of detailed requirements and cost data for VA facilities based on operating department needs.

i. Architecture provides all architectural support to the Project Directors. This predominantly involves the review of contract architect-engineer work, the preparation of preliminary plans, and the development of working drawings for "in-house" designed projects.

j. Engineering coordinates the work of the technical services (Civil, Mechanical, and Electrical Engineering, and Value Analysis) provided to the Project Directors. These Services predominantly involve the review of contract architect-engineer work and the development of working drawings for "in-house" designed projects.

k. Resident Engineer Staff administers the Resident Engineer program. It provides administrative support to the Resident Engineers, coordinates requirements for technical supervision at construction sites and participates in assigning Resident Engineers to adequately staff the construction projects.

1. Space Management Staff is responsible for space acquisition for VA; and for policies, standards and procedures pertaining to the acquisition of leased space and the utilization of space.

2. The development and accomplishment of a construction project is generally as follows:

a. Requirements - Design requirements are developed by Health Care Facilities Service, assisted by private firms when necessary, based on input from operating departments. Advance planning studies and estimates are then used to evaluate the feasibility and advantages of alternative designs.

b. Preliminary Plans - Based on approved project requirements, preliminary plans and estimates are prepared for necessary review and approval by higher authority and for presentation of the budget. Plans must be developed within specific cost and square feet area limits to comply with executive restrictions. The work is handled by the Planning Services and by private architecture and engineering firms, with the assistance of other parts of the Office of Construction.

c. Working Drawings and Specifications - Working drawings and specifications prepared by contract architect-engineers are reviewed by the staffs under the Directors of Architecture and Engineering. The same offices also prepare working drawings and specifications for "in-house" designed projects. Estimates during this stage are prepared by the Estimating Staff.

d. Construction Put-in-Place - This phase is directed and controlled by the Project Directors in Central Office with on-site supervision by Resident Engineers who ensure that construction contractors provide timely performance and build in accordance with plans and specifications. The construction Contract Administration Division advises and assists the Project Directors in awarding construction contracts, processing of contract changes, partial payment and final settlement vouchers, and maintains contract records for construction contracts.

Summary of Average Employment for General Administration

	1980 Actual	1981 Estimate	1982 Estimate	Diff.FY 82 Over FY 81
Office of Construction				
Office of Assistant Administrator & Deputy Assistant Administrator	7	7	8	+1
Staff Offices				
Architect-Engineer Evaluation Board	11	12	11	-1
Management Staff	33	36	37	+1
Program Control & Analysis Staff	39	38	41	+3
Research Staff	7	7	~~8~~ 7	~~+1~~ ...
Contract Administration Staff	17	18	~~21~~ 19	~~+3~~ +1
Information Systems Support Staff	15	15	18	+3
Space Management Staff	8	9	9	...
Sub-Total	130	135	~~145~~ 142	~~+10~~ +7
Project Directors' Offices	62	70	82	+12
Planning				
Director of Planning	6	7	8	+1
Health Care Facilities Service	53	61	~~71~~ 68	~~+10~~ +7
Land Management Service	29	28	~~33~~ 29	~~+5~~ +1
Estimating Service	29	30	~~33~~ 31	~~+3~~ +1
Sub-Total	117	126	~~143~~ 136	~~+17~~ +10
Architecture				
Director of Architecture	80	~~84~~ 83	~~90~~ 88	~~+6~~ +5
Engineering				
Director of Engineering	6	6	7	+1
Coordination & Value Analysis Staff	6	7	7	...
Mechanical Engineering Service	40	40	~~44~~ 41	~~+4~~ +1
Civil Engineering Service	17	17	~~20~~ 19	~~+3~~ +2
Electrical Engineering Service	28	29	~~31~~ 30	~~+2~~ +1
Sub-Total	97	99	~~109~~ 104	~~+10~~ +5
Field Supervision a/		143		
Resident Engineers	135	157	~~180~~ 155	~~+23~~ +12
Clerical Assistants	60	~~71~~ 72	~~86~~ 80	~~+15~~ +8
Sub-Total	195	~~228~~ 215	~~274~~ 235	~~+46~~ +20
Total General Administration	688	~~749~~ 735	~~851~~ 790	~~+102~~ +55

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Justification and Explanation of Personal Services Obligations
(In Thousands of Dollars)

	1980 Actual	1981 Estimate	1982 Estimate	Diff FY 82 Over FY 81
Average Employment:	688	~~745~~ 735	~~851~~ 790	~~+102~~ +55
Personnel Compensation:	$18,421	~~$21,083~~ $20,846	~~$25,090~~ $23,321	~~+4,007~~ +2,475

~~$25,090~~ $23,321 thousand is requested for personnel compensation in FY 1982. Our staffing requirements are derived from needs in both Central Office and in the field at our construction sites. Our Resident Engineer needs are determined on a project by project analysis of scheduled construction awards which will require on-site supervision. The staffing levels for Central Office are based on a projection of the requirements to design and review a program of a known size and character.

Personnel Benefits:

~~$2,914~~ $2,743 thousand is requested under this object in 1982 to cover the Government's cost and contribution to the various funds for the benefit of its employees in accordance with existing legislation. The funds requested are for:

a. Subsistence & Temporary Expenses*	42	100	125	+25
b. Real Estate Cost*	102	200	375	+175
c. Miscellaneous Moving Cost	10	20	37	+17
d. Federal Employee Life Insurance Fund	51	~~72~~ 71	83	~~+11~~ +12
e. Federal Insurance Compensation Act	19	23	23	...
f. Civil Service Retirement Fund	1,244	~~1,496~~ 1,479	~~1,766~~ 1,633	~~+270~~ +154
g. Federal Employees Health Insurance Fund	362	~~427~~ 422	~~505~~ 467	~~+78~~ +45
h. Awards	29	...	...	...
TOTAL	1,859	~~2,338~~ 2,315	~~2,914~~ 2,743	~~+576~~ +428

*Moving and related expenses under Public Law 89-516

Explanation and Justification of Obligations
Other Than Personal Services
(In Thousands of Dollars)

	1980 Actual	1981 Estimate	1982 Estimate	Diff FY 82 Over FY 81
Travel and Transportation of Persons	672	~~985~~ ~~1,087~~	~~1,206~~ ~~1,246~~	~~+221~~ ~~+246~~

~~$1,206~~ ~~$1,246~~ thousand is requested in 1982 for travel by administrative, architectural, engineering and other technical personnel for inspecting, surveying, and determining on-site conditions and other advanced planning requirements for health care centers, cemeteries, regional offices, and data processing centers. Also included are provisions for pre-bid and pre-construction conferences, on-site supervision of construction contracts by resident engineers, intermediate supervisory inspections, final construction inspections and post-evaluation surveys by Office of Construction technical personnel, and travel related to employee training.

Transportation of Things	146	201	~~240~~ ~~245~~	~~+39~~ ~~+44~~

~~240~~ ~~$245~~ thousand is requested in 1982 for the cost of shipment of household goods and other personal effects of employees transferring between construction project duty stations, between field and Central Office, and to first duty station for newly recruited shortage category employees, including architects and engineers. The cost reflects the increased number of R/E moves necessary to manage the expanding Construction program.

Rent, Comm. and Utilities	432	523	494	-29

$494 thousand is requested to provide the Office of Construction's prorata share of the switchboard and wire mileage rental, telephone rentals, long distance telephone calls including FTS intercity telephone network, and equipment rentals. The decrease of $29 thousand is due to the replacement of a leased Distributed Data Processor with a purchased DDP.

Printing and Reproduction	337	250	340	+90

$340 thousand is requested for printing and reproduction to cover the cost of: reproduction of drawings for field station files; printing of forms under the control of the Office of Construction; the revision and updating of master specifications, standard details, handbooks, and other technical publications; and reproduction of drawings and specifications for projects. The increase of $90 thousand is based on our FY 1980 experience with higher costs along with a larger volume of work associated with a bigger construction program.

	1980 Actual	1981 Estimate	1982 Estimate	Diff FY 82 Over FY 81
Other Services	1,055	~~2,234~~ 2,159	2,275	~~+41~~ +116

A total of $2,275 is requested for 1982 for contractual services and other expenses not provided for elsewhere. Funds requested are for:

a. Repairs - Furniture & Equipment	6	4	5	+1
b. Services of Consultants and Expert Witnesses	84	200	185	-15
c. Employee Training	63	140	160	+20
d. ADP Services	318	750	750	...
e. Surveys - Utility, Topographic, Site	(8)	~~200~~ 125	175	~~-25~~ +50
f. Construction R&D Projects	402	700	750	+50
g. Misc. Other Services	190	240	250	+10
TOTAL	1,055	~~2,234~~ 2,159	2,275	~~+41~~ +116

$185 thousand is requested for services of consultants and expert witnesses. Of this, $50 thousand is for those individuals who render services on behalf of the Government in connection with alleged claims and the cost of legal secretaries for stenographic services. The remaining $135 thousand is for work in selected areas of health care facility planning.

An additional $20 thousand is requested to maintain an adequate level of employee training. This is due mainly to the higher employment in the Office of Construction.

$750 thousand is needed in FY 1982 to provide for commercial and government ADP services, including processing, software, and analysis.

$175 thousand is requested for surveys to cover not only project work, but also for appraisals and archeological surveys on certain facilities for possible nomination to the National Register of Historic Places.

Construction Research and Development projects will need $750 thousand to continue our R&D program.

$250 thousand is required for miscellaneous other services-those contractual services not provided for in the remaining subcategories. This includes such items as photographic work, maintenance contracts, and on-going microfilming, especially those as-built drawings presently retained by the field stations.

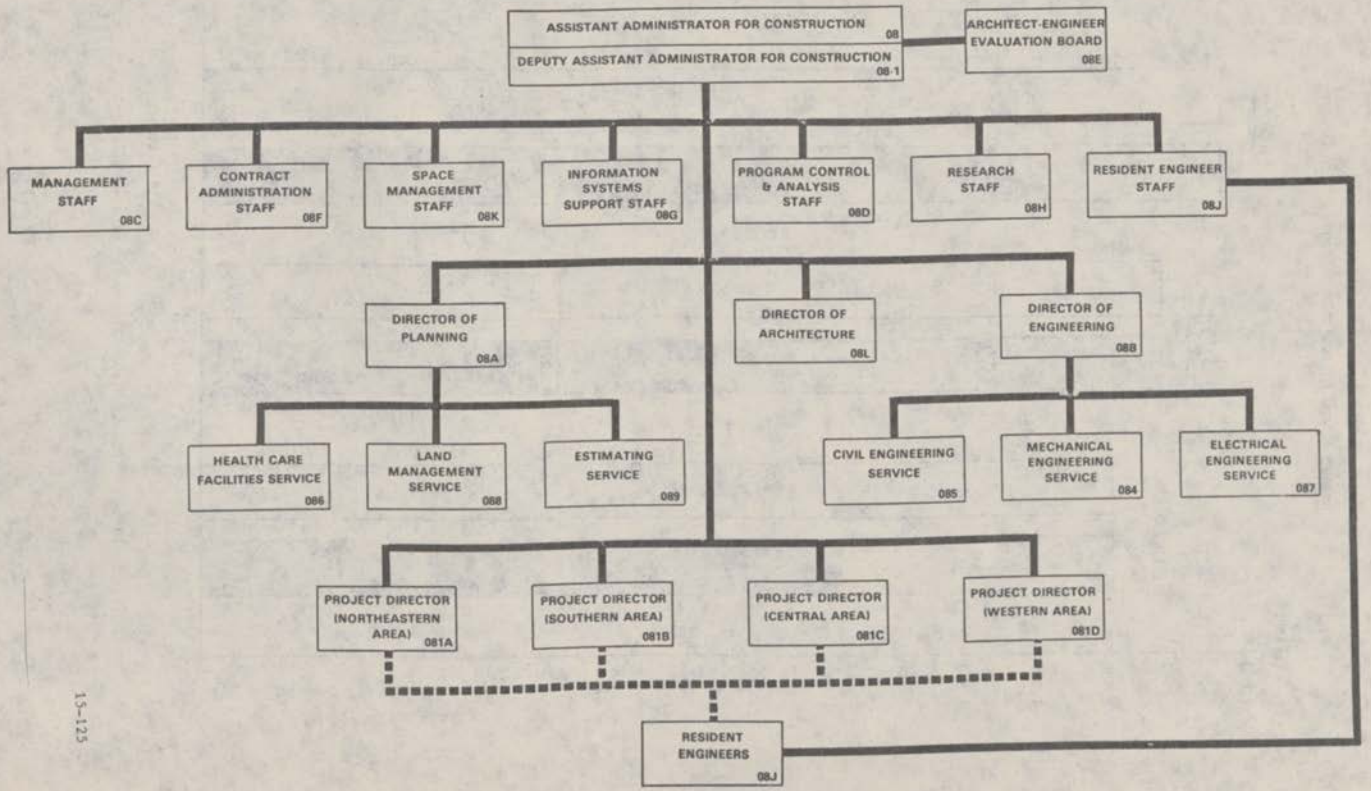
	1980 Actual	1981 Estimate	1982 Estimate	Diff FY 82 Over FY 81
Supplies & Materials	118	210	~~175~~ 170	~~$ 0~~ $ -40 ~~-35~~

~~$175~~ $170 thousand is requested for office and computer supplies and materials which are not available through central supply system.

Equipment	328	~~367~~ 317	~~400~~ 390	~~+ 33~~ + 73

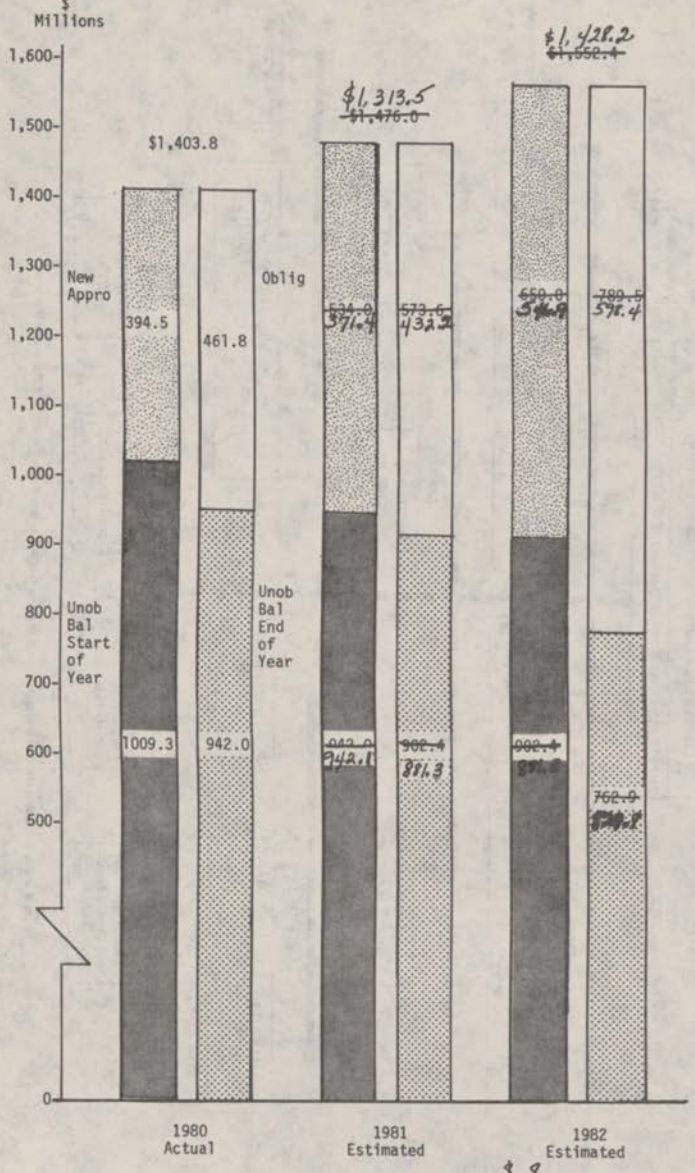
~~$400~~ $390 thousand is needed for 1982 to provide for replacement of furniture and equipment which will have reached the General Services Administration criteria for replacement as well as equipment for new employees. Included in this request is over $200 thousand for ADP equipment to extend O/C's MIS access and acquire a design workstation.

OFFICE OF CONSTRUCTION



SPECIAL ANALYSES

Resources and Disposition of Funds



NOTE: Includes FY 1981 Supplemental request of ~~$1.3~~ $.9 million.

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Comparative Summary Obligational Requirements by Object
(In Thousands of Dollars)

	1980 Actual	1981* Estimate	1982 Estimate	Diff FY 82 Over FY 81
Personnel Compensation (total)	19,575	23,031 ~~27,200~~	25,528 ~~27,293~~	+ 2,497 ~~+ 4,020~~
Permanent Positions	(18,118)	(20,399) ~~(20,654)~~	(22,696) ~~(24,460)~~	(+ 2,297) ~~(+ 3,926)~~
Positions Other Than Permanent	(1,241)	(2,282)	(2,323)	(+ 41)
Other Personnel Compensation	(216)	(350)	(509)	(+ 159)
Personnel Benefits	1,928	2,475 ~~2,490~~	2,899 ~~3,070~~	+ 424 ~~+ 572~~
Total Personnel Compensation & Benefits	21,503	25,506 ~~25,764~~	28,427 ~~30,362~~	+ 2,921 ~~+ 4,598~~
Travel & Transportation of Persons	672	985 ~~1,050~~	1,206 ~~1,306~~	+ 221 ~~+ 256~~
Transportation of Things	173	265	335	+ 70
Rent, Commun. & Utilities	467	663	649	- 14
Printing & Reproduction	339	280	360	+ 80
Other Services	39,971	32,228 ~~47,091~~	51,076 ~~69,970~~	+ 18,148 ~~+ 22,941~~
Supplies & Materials	940	980	1,120	+ 140
Equipment	415	440	510	+ 70
Land & Structures	397,368	370,138 ~~497,100~~	514,675 ~~684,801~~	+144,537 ~~+187,701~~
Total Obligations	461,848	432,185 ~~573,576~~	597,357 ~~709,421~~	+164,173 ~~+215,845~~
Unobligated Balance Brought Forward	-1,009,370	-942,047	- 881,287 ~~-903,015~~	- 60,760 ~~- 39,032~~
Unobligated Balance Carried Forward	942,047	881,287 ~~903,015~~	829,838 ~~763,503~~	- 51,449 ~~-139,512~~
TOTAL Budget Authority (Appropriation)	394,525	371,425* ~~534,544~~	546,909 ~~649,909~~	+175,484* ~~+115,924~~
Less: Reprogrammings from prior appropriations		-559		
New Budget Authority		~~533,985~~ 370,866*		

* Includes FY 1981 Supplemental request

*Reduction shown in FY 1981 Budget Authority includes $154,490,000 for Baltimore and Camden which was appropriated prior to FY 1981.

16-2 R

Summary of Construction Funds from 7-1-31 a/
(In Millions of Dollars) b/

Fiscal Year	Cash Appropriation Actual	Cash Appropriation Sept. '80 $Value*	Obligations Actual	Obligations Sept. '80 $Value*	Unobligated Balance c/	Expenditures Accrued	Expenditures Cash
1932-45	141.6		118.7		22.9		90.0
1946	242.8	Not	14.1	Not	251.6		26.9
1947	147.4	Avail-	68.0	Avail-	772.3		28.0
1948	-50.0	able	224.9	able	835.7		53.0
1949	202.0		84.1		795.6		141.5
1950	.0	.0	212.4		582.3		159.7
1951	160.0	787.0	104.1	512.1	478.2		144.9
1952	27.5	128.0	42.8	199.2	82.6		123.0
1953	117.5	520.9	48.9	216.8	92.2		98.5
1954	38.7	166.8	23.2	100.0	86.6		54.2
1955	50.5	214.3	47.3	200.7	89.7		29.2
1956	33.9	138.3	29.9	121.9	93.8	978.0d/	25.8
1957	56.2	219.7	21.6	84.4	128.3	39.1	36.0
1958	44.5	168.8	63.9	242.4	108.9	33.0	32.9
1959	19.3	71.0	63.0	231.7	65.1	47.8	45.4
1960	31.7	112.7	34.7	123.4	62.1	57.9	56.8
1961	75.0	262.1	77.3	270.1	59.8	50.3	51.4
1962	76.3	259.5	68.8	234.0	67.3	51.8	53.1
1963	77.0	254.9	71.7	237.3	72.6	68.5	65.8
1964	76.8	247.1	109.5	352.3	39.9	73.6	70.3
1965	98.1	305.6	64.5	200.9	73.5	81.3	80.6
1966	90.5	271.5	43.6	130.8	120.5	83.6	83.7
1967	52.1	149.5	63.5	182.2	109.1	57.7	60.0
1968	52.6	140.9	20.2	54.1	141.5	43.4	47.6
1969	7.9	19.8	105.6	264.1	43.8	48.5	46.1
1970	69.1	160.4	34.0	78.9	78.9	71.2	67.4
1971	59.0	126.3	102.8	220.0	35.1	80.9	80.2
1972	93.6	186.3	84.6	168.4	44.1	107.3	105.1
1973	181.0	339.6	136.6	256.3	88.5	92.6	95.8
1974	110.6	194.1	91.9	161.3	107.2	106.4	103.7
1975	303.0e/	474.8	207.8	325.6	202.3	121.1	118.9
1976	403.9	588.9	226.8	330.7	379.4	186.0	187.6
19-TQ	32.5	45.1	23.3	32.3	388.5	49.2	42.9
1977	498.5	657.0	278.4	366.9	608.5	224.4	233.8
1978	488.9	606.2	223.2	276.8	874.3	245.1	243.3
1979	451.9	519.7	317.0	364.6	1009.2	240.3	236.5
1980	394.5	417.6	461.8	488.8	942.0	286.0	294.7
1981 (EST)	~~371.4 524.0~~	...	~~432 573.6~~	...	~~881.3 982.4~~	~~372.4 408.4~~	~~350.1 378.5~~
1982 (EST)	~~432 650.0~~	...	~~598.4 789.5~~	...	~~829.6 762.3~~	~~498.7 567.1~~	~~446.6 544.7~~
TOTAL	~~5,110.1~~		~~5,378.2~~		~~11,698.8~~	~~4,499.3~~	~~4,436.4~~
	~~22,694.4~~		~~5,045.7~~		11,744.0	4,392.9	4,308.9

a/ Includes following appropriations: 1932-52 - Hospital & Domiciliary Facilities; 1953-58 Hospital & Domiciliary Facilities, and Major Alterations Improvements & Repairs; 1959-72 - Construction of Hospital & Domiciliary Facilities; and 1973 to date - Construction, Major Projects and Construction, Minor Projects.

b/ Because of rounding, details do not necessarily add to totals.

c/ Unobligated balance of appropriations of Cash plus Contract Authority.

d/ From 1932 through 1956 combined. Figures for individual fiscal years not available prior to 1957.

Summary of Construction Funds from 7-1-31 a/ (Cont'd)
(In Millions of Dollars) b/

e/ Includes Supplemental Appropriation Request.

* September 1980 $ Value is calculated by multiplying the respective Actual dollar figures by the ratio of the September 1980 Boeckh Index (1104.8) to each of the respective fiscal year averages for the Boeckh Building Cost Index (Apartments, Hotel & Office Buildings - Brick & Concrete; Base 100 = United States Average Prices 1926-1929 for 20 major pricing areas).

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BOECKH BUILDING COST INDEX BY TYPE OF CONSTRUCTION
(Brick-Concrete) Apartments, Hotels & Office Buildings
20 City National Average (1926-1929 = 100)

YEAR	C.Y.	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	F.Y.	YEAR
1950	216.5														1950
1951	232.7													224.6	1951
1952	242.1													237.4	1952
1953	256.3					N O T	A V A I L A B L E							249.2	1953
1954	256.5													256.4	1954
1955	264.3													260.4	1955
1956	277.4													270.85	1956
1957	287.7	282.7	283.1	283.5	284.3	286.3	288.3	290.5	290.6	291.0	290.6	290.7	291.1	282.55	1957
1958	294.8	291.5	291.4	290.7	291.4	292.2	294.7	296.1	296.7	296.9	298.3	298.8	299.6	291.2	1958
1959	306.2	301.1	301.2	301.4	302.8	304.7	307.6	308.4	308.9	309.2	309.1	309.6	310.1	300.4	1959
1960	313.6	310.5	312.2	311.4	312.0	313.3	314.6	314.7	314.6	315.1	315.0	315.0	315.1	310.8	1960
1961	320.3	315.6	315.7	315.9	316.2	320.1	321.6	322.4	322.8	323.3	323.4	323.3	323.8	316.2	1961
1962	329.3	324.5	324.7	324.8	326.1	328.4	329.5	331.5	332.1	332.5	332.5	332.3	333.0	324.8	1962
1963	338.3	333.6	333.9	334.0	334.6	336.8	338.7	340.2	340.5	341.2	341.4	342.1	342.3	333.8	1963
1964	349.0	343.7	343.8	343.8	344.9	347.1	349.8	351.5	352.0	351.4	352.9	353.1	353.4	343.4	1964
1965	361.6	354.2	355.9	356.3	356.1	358.7	361.3	364.3	365.0	365.7	366.2	366.4	368.6	354.7	1965
1966	376.2	367.8	368.3	368.6	370.3	373.3	375.9	379.4	380.2	380.8	382.1	383.7	384.4	368.4	1966
1967	398.9	385.3	385.6	385.8	386.8	390.4	400.3	406.3	407.0	408.7	409.7	410.3	410.4	385.4	1967
1968	426.0	409.9	411.7	412.5	414.4	421.5	429.2	432.2	434.2	435.6	436.2	436.3	438.8	412.6	1968
1979	461.3	(444.7)	450.6	(451.1)	451.6	(456.4)	461.1	(463.1)	465.1	(468.8)	472.5	(474.2)	475.9	441.8	1969
1970	494.9	476.0	(478.3)	480.6	482.6	484.7	489.0	495.7	502.0	507.8	511.8	514.0	516.6	475.9	1970
1971	534.8	519.8	522.4	524.2	525.4	525.9	529.6	536.6	542.0	545.6	547.5	547.5	550.7	516.3	1971
1972	573.85	557.1	561.9	565.2	567.8	569.9	572.9	576.9	579.8	581.4	583.1	584.6	585.6	555.4	1972
1973	606.6	585.8	588.6	593.7	598.4	602.5	605.3	606.8	611.2	618.6	622.3	622.3	623.3	588.8	1973
1974	666.1	625.3	630.4	638.8	646.1	652.4	658.2	673.4	680.6	689.9	696.2	699.8	702.6	629.6	1974
1975	731.9	705.0	710.2	718.3	724.4	728.6	731.9	734.4	737.7	741.8	746.1	750.7	754.2	705.1	1975
1976	788.5	756.6	760.4	765.5	773.5	784.4	791.1	793.8	796.6	799.8	805.7	814.4	820.2	758.0	1976
T.Q.	862.7	N/A	N/A	N/A	N/A	N/A	N/A	857.7	862.9	867.5	N/A	N/A	N/A	796.6*	T.Q.
1977	853.0	823.2	828.4	836.0	842.1	846.6	851.8	857.7	862.9	867.5	870.9	873.0	875.9	838.0	1977
1978	902.2	879.7	882.8	885.1	888.0	891.6	896.1	901.6	907.1	912.6	919.6	928.2	933.8	888.7	1978
1979	977.8	939.4	942.4	949.1	960.3	970.3	979.1	985.5	989.5	995.3	1002.7	1008.3	1012.1	957.8	1979
1980		1016.3	1020.8	1027.6	1036.8	1049.8	1066.6	1082.0	1096.0	1104.8	1108.3	N/A	N/A	1043.7	1980
1981														1168.9 ‡	1981
1982														1297.5 ‡	1982

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BOECKH BUILDING COST INDEX BY TYPE OF CONSTRUCTION
(Brick-Concrete) Apartments, Hotels & Office Buildings
20 City National Average (1926-1929 = 100)
(Cont.)

* Transition quarter FY Index was found by taking 15 month average of indexes from January 1976 thru March 1977.

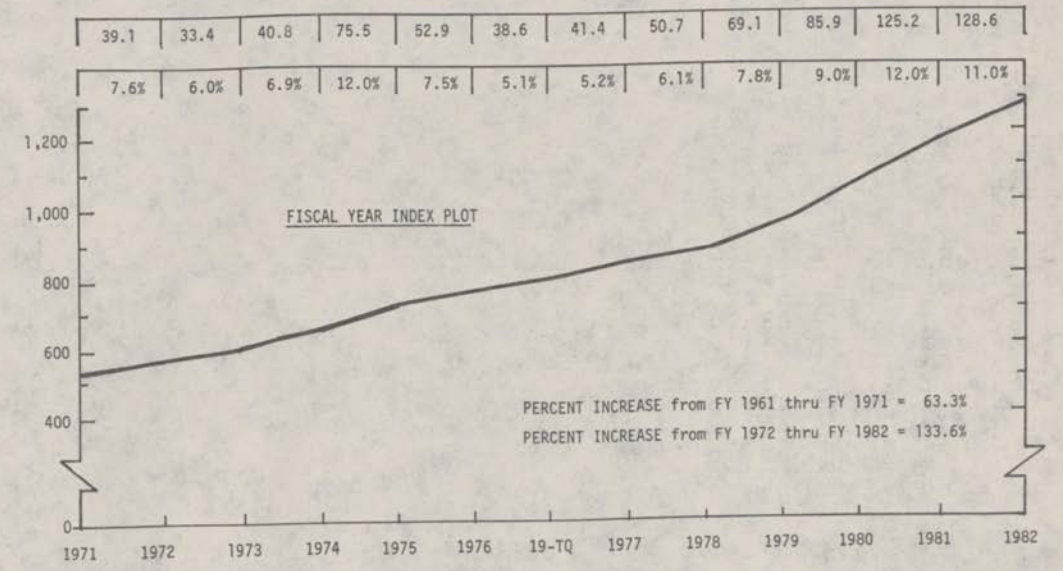
‡ 1981 and 1982 FY Indexes are estimates found by using a Projected Escalation rate per fiscal year of 12% and 11% respectively.

NOTE 1: All figures after February 1970 are estimated (e.g., mean average of preceding and following bi-monthly indexes).

NOTE 2: CY and FY averages shown above for 1969 and later are averages of the monthly indexes shown. These differ slightly from CY and FY averages published by Boeckh, but are believed to be more representative. (Boeckh's CY averages are as follows: 1969 - 462.9, 1970 - 494.5, 1971 - 534.6, etc.).

BOECKH BUILDING COST INDEX

Apartments, Hotels and Office Buildings: Brick and Concrete
National Average (20) -- Base 100 = United States Average Prices 1926 - 1929
Increase in Boeckh Fiscal Year Index - Year to Year



(10)

VOLUME III. 1982 CONGRESSIONAL BUDGET SUMMARY

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NOTE: All years referred to as fiscal years. Detail in text, tables and charts may not add to the totals because of rounding.

PART 17. GENERAL

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THE VETERANS ADMINISTRATION

Origin

The Veterans Administration was established as an independent agency under the President by Executive Order 5398 of July 21, 1930, in accordance with the Act of July 3, 1930 (46 Stat. 1016). This Act authorized the President to consolidate and coordinate Federal agencies especially created for or concerned in the administration of laws providing benefits for veterans.

Under this Act, the Veterans' Bureau, the Bureau of Pensions, and the National Home for Disabled Volunteer Soldiers were consolidated in the Veterans Administration.

Mission

The mission of the Veterans Administration is to administer veterans' laws effectively, expeditiously, and with sympathetic understanding, and to exercise constructive leadership in the field of veterans' affairs. The laws relating to Veterans Benefits are contained in Title 38 of the United States Code. These benefits may be classified in the following general categories:

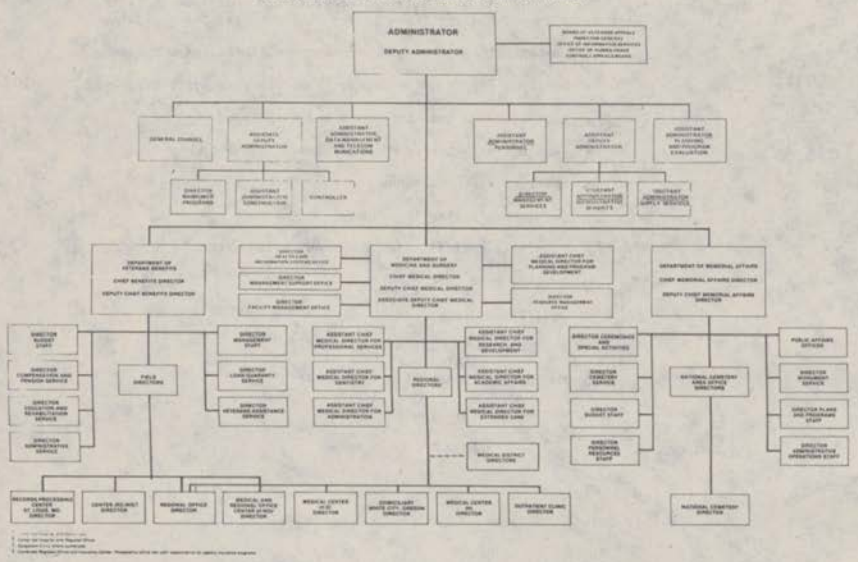
- Compensation for service-connected disabilities and death
- Pensions for income maintenance of veterans and survivors
- Education and training loans and assistance
- Housing and other credit assistance
- Veterans life insurance
- Servicemen's life insurance
- Hospital, medical, dental and outpatient care
  - Nursing home care
  - Domiciliary care
  - Health manpower training
  - Medical and rehabilitative research
  - Burial benefits

ORGANIZATION OF THE VETERANS ADMINISTRATION

The organization of the Va is designed so that veterans beneficiaries and their surviving dependents will be provided the best possible service, with the greatest possible effectiveness and economy.

VA programs and operations are directed by the Administrator of Veterans Affairs, who is responsible to the President for the administration of veterans' services and benefits and the laws which govern them. Essentially, agency operations are sub-divided by major purposes into three major "departments", the heads of which report to the Administrator through the Deputy Administrator. Agency-level "staff offices" provide staff advice and assistance to the Administrator and Department heads.

ORGANIZATION OF THE VETERANS ADMINISTRATION

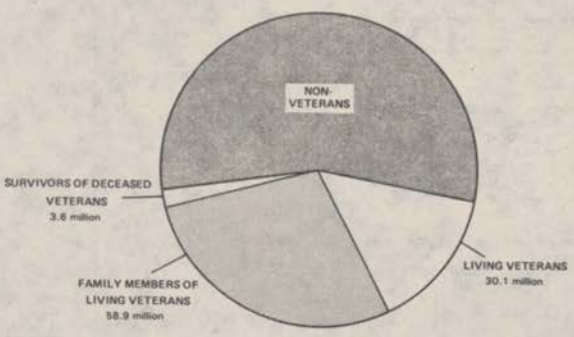


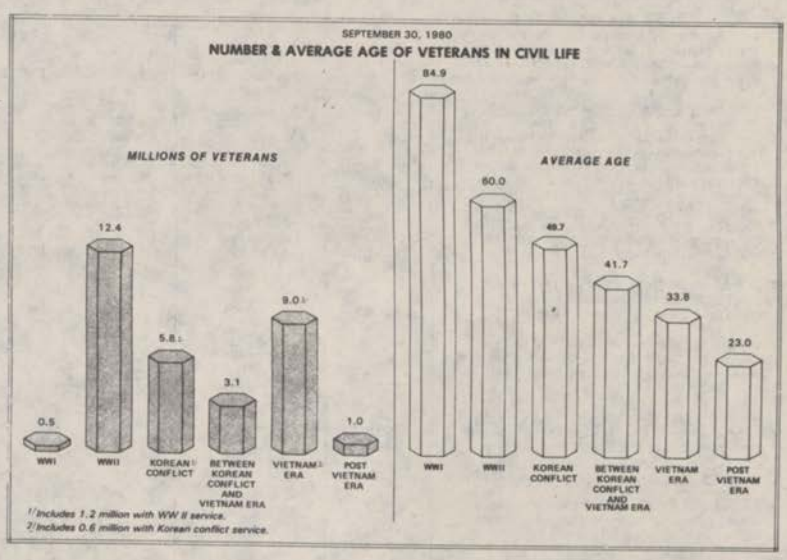
See Special Analyses for detail of installations.

March 1981

VETERAN POPULATION

On September 30, 1980 there were approximately 30.1 million veterans, 58.9 million family members of living veterans, and 3.6 million survivors of deceased veterans. Thus, 92.6 million, or 41% of the total population of the United States, were potential recipients of veterans benefits provided by the Federal Government.





LEGISLATIVE AUTHORIZATION OF PROGRAMS

The authorizations for VA's programs are contained in Title 38 of the U.S. Code. No annual authorization by the legislative committees and the Congress is required, although Title 38 does provide for certain multiple-year authorizations for specific purposes. The authorization of the following items is limited by Title 38 in regard to the time and/or amount as indicated:

Item	Section of Title 38	Annual Authorization	Expiration Date
Medical Operating Appropriations:			
• Authority to establish Geriatric Research, Education, and Clinical Centers - designate not more than 15 such.	4101(f)(1)(A) 4101(f)(2)(c) (ii)(3)	$10,000,000(1981) $25,000,000(1982) (1983) (1984)	Sept. 30, 1984
Medical Care:			
• Authorizes non-service-connected contract hospital care and outpatient services in the territories, commonwealth and possessions of the United States--with certain provisos, including a report by the President to Congress by Feb. 1, 1981, assessing health needs of veterans in Puerto Rico and the Virgin Islands.	601(4)(c)	-0-	Dec. 31, 1981
Medical Administration and Miscellaneous Operating Expenses:			
• Exchange of Medical Information grants and pilot programs.	5055(c)	$4,000,000	Sept. 30, 1982
• Establishes a VA Health Professional Scholarship Program.	4141(a)(b) 4146	As Appropriated	End of 10th Fiscal Year beginning after award of first such scholarship.
Grants for Construction of State Extended Care Facilities:			
• Grants to States to construct State nursing home and domiciliary facilities and to remodel, modify or alter existing hospital, nursing home and domiciliary facilities in State homes, for furnishing care to veterans.	5033	15,000,000 (1980) as necessary (1981-2)	Sept. 30, 1982
Assistance for Health Manpower Training Institutions:			
• Grants to affiliated medical schools and other health manpower training institutions and expansion of VA education and training capacity.	5082	15,000,000 (1980) 25,000,000 (1981) 30,000,000 (1982)	Sept. 30, 1982
Grants to the Republic of the Philippines:			
• Hospital and nursing home care ($250,000 maximum) of Commonwealth Army veterans and new Philippine Scouts.	632(b)	2,000,000	Sept. 30, 1981
• Grants to Veterans Memorial Medical Center for education and training of hospital health service personnel.	632(d)	50,000	Sept. 30, 1981
• Grants to Veterans Memorial Medical Center for replacing and upgrading equipment and rehabilitating physical plant and facilities.	632(d)	50,000	Sept. 30, 1981
General Operating Expenses:			
• Maintenance of the VA Regional Office in the Republic of the Philippines.	230(b)	-0-	Sept. 30, 1985
Grants for the Construction of State Veterans Cemeteries:			
• Provides grants to the States for the establishment, expansion and improvement of Veterans cemeteries.	1008	5,000,000	Sept. 30, 1984
Post-Vietnam Era Veterans Education Account:			
• Authorizes deposit of servicepersons contributions and matching assistance payments.	1601	-0-	Dec. 31, 1981

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PART 18. 1982 BUDGET SUMMARIES

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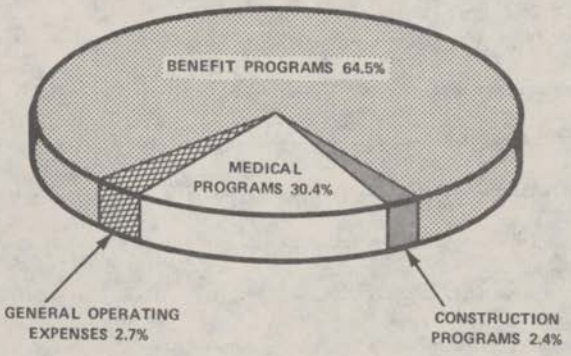
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1982
Appropriation Request

REVISED
Distribution by Major Program



AMOUNT (In Thousands of Dollars)	January	Revised	Change
General Operating Expenses	$ 670,028	$ 603,728	$ -66,300
Benefit Programs	14,634,400	14,623,300	-11,100
Medical Programs	7,247,590	6,901,682	-345,908
Construction Programs	649,909	546,909	-103,000
TOTAL, VA	23,201,927	22,675,619	-526,308

APPROPRIATIONS
(Thousands of Dollars)

Appropriation/Fund Account	1980	1981	1982		Revised	
				Revised	+ or - Jan.	+ or - 81
General operating expenses	611,609	641,859*	670,028	603,728	-66,300	-38,131
Benefit Programs:						
Compensation and pensions	11,201,800	11,602,000	...	...	...	-11,602,000
Compensation	...	1,040,600	8,657,900	8,657,900	...	+7,617,300
Pensions	...	...	4,106,000	4,094,900	-11,100	+4,094,900
Burial benefits and miscellaneous assistance	...	...	204,000	204,000	...	+204,000
Readjustment benefits	2,318,535	2,039,808	1,658,000	1,658,000	...	-381,808
Veterans insurance and indemnities	5,400	6,100	8,500	8,500	...	+2,400
Grants for the construction of State veterans cemeteries	5,000	5,000	...	...	...	-5,000
Vocational Rehabilitation revolving fund	...	1,250	...	...	...	-1,250
Total benefit programs	13,530,735	14,694,758	14,634,400	14,623,300	-11,100	-71,458
Medical programs:						
Medical care	5,832,039	6,325,958*	7,004,945	6,674,891	-330,054	+348,933
Medical and prosthetic research	125,847	138,248*	155,381	145,699	-9,682	+7,451
Medical administration and miscellaneous operating expenses	48,205	52,809*	64,572	58,400	-6,172	+5,591
Grants for construction of State extended care facilities	7,500	15,000	18,000	18,000	...	+3,000
Grants to the Republic of the Philippines	1,350	1,200	...	...	...	-1,200
Construction and operation of garage and parking facilities	...	...	4,692	4,692	...	+4,692
Total medical programs	6,014,941	6,533,215	7,247,590	6,901,682	-345,908	+368,467
Construction programs:						
Construction, major projects	321,292	261,614*	500,930	429,930	-71,000	+168,316
Construction, minor projects	73,233	109,811*	148,979	116,979	-32,000	+7,168
Total construction programs	394,525	371,425	649,909	546,909	-103,000	+175,484
Total appropriations 1/	20,551,810	22,241,257	23,201,927	22,675,619	-526,308	+434,362

1/ Includes supplementals of $1,592,891,000 and a rescission of $162,160,000 in FY 1981. Excludes proposed legislation of $-40,180 in FY 1981 and $806,202,000 in FY 1982. See page 18-16 for breakout of supplemental.

	1981 January	1981 Revised	Rev/Jan
Medical care	6,365,185	6,325,958	-39,227
Medical and prosthetic research	140,070	138,248	-1,822
Medical administration and miscellaneous operating expenses	54,317	52,809	-1,508
General operating expenses	655,859	641,859	-14,000
Construction, major projects	423,774	261,614	-162,160
Construction, minor projects	110,211	109,811	-400
Total 1981 change			-219,117

APPROPRIATIONS - RECONCILIATION

(Thousands of Dollars)

Appropriation/Fund Account	1980	1981	1982		Revised + or - January
			January	Revised	
General operating expenses, appropriation	616,609	641,859*	670,028	603,728	-66,300
Appropriation rescinded	-5,000	...	...	...	...
Appropriation, adjusted	611,609	641,859*	670,028	603,728	-66,300
Compensation and pensions, appropriation	11,201,800	11,602,000	...	...	...
Comparative transfer to compensation	-7,353,000	-7,542,900	...	...	...
Comparative transfer to pensions	-3,608,100	-3,860,500	...	...	...
Comparative transfer to burial benefits and miscellaneous assistance	-185,700	-198,600	...	...	...
Transfer to readjustment benefits	-55,000	...	...	...	...
Appropriation, adjusted	...	...	...	...	...
Compensation, appropriation	...	1,040,600	8,657,900	8,657,900	...
Comparative transfer from compensation and pensions	7,353,000	7,542,900	...	...	...
Appropriation, adjusted	7,353,000	8,583,500	8,657,900	8,657,900	...
Pensions, appropriation	...	...	4,106,000	4,094,900	-11,100
Comparative transfer from compensation and pensions	3,608,100	3,860,500	...	...	...
Appropriation, adjusted	3,608,100	3,860,500	4,106,000	4,094,900	-11,100
Burial benefits and miscellaneous assistance, appropriation	...	...	204,000	204,000	...
Comparative transfer from compensation and pensions	185,700	198,600	...	...	...
Appropriation, adjusted	185,700	198,600	204,000	204,000	...
Readjustment benefits, appropriation	2,318,535	2,039,808	1,658,000	1,658,000	...
Transfer from compensation and pensions	55,000	...	...	...	...
Appropriation, adjusted	2,373,535	2,039,808	1,658,000	1,658,000	...
Veterans insurance and indemnities, appropriation	5,400	6,100	8,500	8,500	...
Medical care, appropriation	5,834,970	6,325,950*	7,004,945	6,674,891	-330,054
Appropriation, rescinded	-2,931	...	...	...	...
Appropriations, adjusted	5,832,039	6,325,958*	7,004,945	6,674,891	-330,054
Medical and prosthetic research, appropriation	125,847	138,248*	155,381	145,699	-9,682
Medical administration and miscellaneous operating expenses, appropriation	48,205	52,809*	64,572	58,400	-6,172
Grants for construction of State extended care facilities, appropriation	7,500	15,000	18,000	18,000	...
Grants to the Republic of the Philippines, appropriation	1,350	1,200	...	...	...
Construction and operation of garage and parking facilities	...	...	4,692	4,692	...
Grants for the construction of State veterans cemeteries, appropriation	5,000	5,000	...	...	...
Construction, major projects, appropriation	321,292	423,774	500,930	429,930	-71,000
Appropriation rescinded	...	-162,160	...	...	...
Appropriation, adjusted	321,292	261,614	500,930	429,930	-71,000
Construction, minor projects, appropriation	73,233	109,811*	148,979	116,979	-32,000
Vocational rehabilitation revolving fund appropriation	...	1,250	...	...	...
Veterans Administration, appropriation 1/	20,551,810	22,241,257	23,201,927	22,675,619	-526,308

1/ Includes supplementals of $1,592,891,000 and a rescission of $162,160,000 in FY 1981. Excludes proposed legislation of $-40,180 in FY 1981 and $806,202,000 in FY 1982. See page 18-16 for breakout of supplemental.

*

	1980 January	1981 Revised	Rev/Jan
Medical care	6,365,185	6,325,958	-39,227
Medical and prosthetic research	140,070	138,248	-1,822
Medical administration ad miscellaneous operating expenses	54,317	52,809	-1,508
General operating expenses	655,859	641,859	-14,000
Construction, major projects	423,774	261,614	-162,160
Construction, minor projects	110,211	109,811	-400
Total 1981 change			-219,117

ANALYSIS OF BUDGET AUTHORITY

(Thousands of Dollars)

	1980	1981	1982		Revised + or - January
			January	Revised	
A. Requiring action by the Congress:					
1. Requested in this budget:					
a. Appropriations	...	...	23,201,927	22,675,619	-526,308
b. Supplemental appropriation	...	1,592,891*	...	...	...
c. Rescission	...	-162,160*	...	...	...
2. Proposed for later transmittal:					
a. Proposed legislation	...	-40,180*	1,023,625	806,202	-217,423
Total requiring action by the Congress	...	1,390,551	24,225,552	23,481,821	-743,731
B. Available without further action by the Congress:					
1. Current authorizations:	20,551,810	20,810,526	...		
a. Appropriated				...	...
2. Permanent authorizations:					
a. Trust funds	1,200,850	1,329,527	1,322,400	1,322,400	...
Total available without further action by the Congress	21,752,660	22,140,053	1,322,400	1,322,400	...
C. Less adjustment for proprietary receipts from the public and intragovernmental transactions	-578,050	-630,163	-601,725	-601,725	...
Total budget authority	21,174,609	22,900,441	24,946,227	24,202,496	-743,731

BUDGET AUTHORITY INCLUDED IN APPROPRIATION REQUIREMENTS

Available to date	20,551,810	20,810,526	...	...	...
Anticipated supplementals for existing legislation	...	1,592,891	...	...	...
Anticipated rescission	...	-162,160	...	...	...
Requested in this budget	...	...	23,201,927	22,675,619	-526,308
Total appropriation requirements (adjusted)	20,551,810	22,241,257	23,201,927	22,675,619	-526,308

*

	1981 January	1981 Revised	Rev/Jan
Supplemental appropriation	1,649,848	1,592,891	-56,957
Rescission	...	-162,160	-162,160
Proposed legislation	...	-40,180	-40,180

BUDGET AUTHORITY
(Thousands of Dollars)

Appropriation/Fund Account	1980	1981	1982		Revised	
			January	Revised	+ or - Jan	+ or - 1981
Federal funds:						
General operating expenses	611,609	641,859*	670,028	603,728	-66,300	-38,131
Benefit programs:						
Compensation	7,353,100	8,583,500	8,657,900	8,657,900	...	+74,400
Pensions	3,608,000	3,860,500	4,106,000	4,094,900	-11,100	+234,400
Burial benefits and miscellaneous assistance	185,700	198,600	204,000	204,000	...	+5,400
Readjustment benefits	2,373,535	2,039,808	1,658,000	1,658,000	...	-381,808
Veterans insurance and indemnities	5,400	6,100	8,500	8,500	...	+2,400
Grants for the construction of State veterans cemeteries	5,000	5,000	...	...	...	-5,000
Vocational rehabilitation revolving fund	...	1,250	...	...	...	-1,250
Total benefit programs	13,530,735	14,694,758	14,634,400	14,623,300	-11,100	-71,458
Medical programs:						
Medical care	5,832,039	6,325,958*	7,004,945	6,674,891	-330,054	+348,933
Medical and prosthetic research	125,847	138,248*	155,381	145,699	-9,682	+7,451
Medical administration and miscellaneous operating expenses	48,205	52,809*	64,572	58,400	-6,172	+5,591
Grants for construction of State extended care facilities	7,500	15,000	18,000	18,000	...	+3,000
Grants to the Republic of the Philippines	1,350	1,200	...	...	...	-1,200
Construction and operation of garage and parking facilities	...	...	4,692	4,692	...	+4,692
Total medical programs	6,014,941	6,533,215	7,247,590	6,901,682	-345,908	+368,467
Construction programs:						
Construction, major projects	321,292	261,614*	500,930	429,930	-71,000	+168,316
Construction, minor projects	73,233	109,811*	148,979	116,979	-32,000	+7,168
Total construction programs	394,525	371,425	649,909	546,909	-103,000	+175,484
Total appropriations, adjusted	20,551,810	22,241,257	23,201,927	22,675,619	-526,308	+434,362
Proposed legislation:						
Compensation	...	...	1,038,800	946,000	-92,800	+946,000
Readjustment benefits	...	-14,000*	30,790	-32,200	-62,990	-18,200
Medical care	...	-26,000*	-46,913	-106,913	-60,000	-80,913
General operating expenses	...	-180*	948	-685	-1,633	-505
Post-Vietnam era veterans education account 1/	...	...	30,500	30,500	...	+30,500
Proprietary receipts from the public 2/	...	...	-30,500	-30,500	...	-30,500
Total proposed legislation	...	-40,180	1,023,625	806,202	-217,423	+846,382
Proprietary receipts from the public	-2,450	-3,073	-3,073	-3,073	...	...
Total federal funds	20,549,360	22,198,004	24,222,479	23,478,748	-743,731	+1,280,744
Trust Funds:						
Post-Vietnam era veterans education account	111,302	153,327	121,100	121,100	...	-32,227
General post fund	7,414	7,500	7,800	7,800	...	+300
National service life insurance	1,044,166	1,134,700	1,161,900	1,161,900	...	+27,200
U.S. Government life insurance	37,968	34,000	31,600	31,600	...	-2,400
Total trust funds (gross)	1,200,850	1,329,527	1,352,900	1,352,900	...	+23,373
Proprietary receipts from the public	-572,587	-617,615	-615,028	-615,028	...	+2,587
Total trust funds (net)	628,263	711,912	737,872	737,872	...	+25,960
Intragovernmental transactions	-3,014	-9,475	-14,124	-14,124	...	-4,649
Total Veterans Administration	21,174,609	22,900,441	24,946,227	24,202,496	-743,731	+1,302,055

1/ Trust fund - amount included in total trust funds (gross).
2/ Trust fund receipt - amount included in trust fund proprietary receipts.

	1981 Jan	1981 Rev.	Rev/Jan
Existing legislation:			
Medical care	6,365,185	6,325,958	-39,227
Medical and prosthetic research	140,070	138,248	-1,822
Medical administration and miscellaneous operating expenses	54,317	52,809	-1,508
General operating expenses	655,859	641,859	-14,000
Construction, major projects	423,774	261,614	-162,160
Construction, minor projects	110,211	109,811	-400
Total existing legislation			-219,117
Proposed legislation:			
Readjustment benefits	...	-14,000	-14,000
Medical care	...	-26,000	-26,000
General operating expenses	...	-180	-180
Total proposed legislation			-40,180
Total 1981 change			-259,297

FUNCTIONAL DISTRIBUTION OF VA ESTIMATES

(Thousands of Dollars)

Function and Program	BUDGET AUTHORITY 1980	1981	1982 January	1982 Revised	Rev/Jan
701: Income security for veterans:					
Compensation	7,353,000	8,583,500	8,657,900	8,657,900	...
Proposed legislation	...	...	1,038,800	946,000	-92,800
Pensions	3,608,100	3,860,500	4,106,000	4,094,900	-11,100
Burial benefits and miscellaneous assistance	185,700	198,600	204,000	204,000	...
Veterans insurance and indemnities	5,400	6,100	8,500	8,500	...
National service life insurance	1,044,166	1,134,700	1,161,900	1,161,900	...
U.S. Government life insurance	37,968	34,000	31,600	31,600	...
NSLI & USGLI receipts	-464,299	-473,763	-477,552	-477,552	...
Sub-total, income security for veterans	11,770,035	13,343,637	14,731,148	14,627,248	-103,900
702: Veterans education, training and rehabilitation:					
Readjustment benefits	2,373,535	2,039,808	1,658,000	1,658,000	...
Proposed legislation	...	-14,000*	30,790	-32,200	-62,990
Vocational rehabilitation revolving fund	...	1,250	...	...	...
Post-Vietnam era veterans education account	111,302	153,327	121,100	121,100	...
Proposed legislation	...	...	30,500	30,500	...
Post-Vietnam era veterans education, receipts	-111,302	-153,327	-121,100	-121,100	...
Proposed legislation	...	...	-30,500	-30,500	...
Sub-total, veterans education, training and rehabilitation	2,373,535	2,027,058	1,688,790	1,625,800	-62,990
703: Hospital and medical care for veterans:					
Medical care	5,832,039	6,325,958*	7,004,945	6,674,891	-330,054
Proposed legislation	...	-26,000*	-46,913	-106,913	-60,000
Medical and prosthetic research	125,847	138,248*	155,381	145,699	-9,682
Medical administration and miscellaneous operating expenses	48,205	52,809	64,572	58,400	-6,172
Construction, major projects	321,292	261,614	500,930	429,930	-71,000
Construction, minor projects	73,233	109,811	148,979	116,979	-32,000
Grants for construction of State extended care facilities	7,500	15,000	18,000	18,000	...
Grants to the Republic of the Philippines	1,350	1,200	...	...	...
Construction and operation of garage and parking facilities	...	...	4,692	4,692	...
Sub-total, hospital and medical care for veterans	6,409,466	6,878,640	7,850,586	7,341,678	-508,908
704: Veterans housing	...	...	...	...	...
705: Other veterans benefits and services:					
General operating expenses	611,609	641,859*	670,028	603,728	-66,300
Proposed legislation	...	-180*	948	-685	-1,633
Grants for construction of State veteran cemeteries	5,000	5,000	...	...	...
General post fund	7,414	7,500	7,800	7,800	...
Sub-total, other veterans benefits and services	624,023	654,179	678,776	610,843	-67,933
Deduction for offsetting receipts	-2,283	-2,906	-2,906	-2,906	...
Sub-total function 700 distribution of VA estimates	21,174,776	22,900,608	24,946,394	24,202,663	-743,731
Deduction for offsetting receipts (function 806 and 902)	-167	-167	-167	-167	...
Total Veterans Administration	21,174,609	22,900,441	24,946,227	24,202,496	-743,731

*

	1981 Jan	1981 Rev.	Rev/Jan
Function 702:			
Readjustment benefits (proposed)	...	-14,000	-14,000
Function 703:			
Medical care	6,365,185	6,325,958	-39,227
Proposed legislation	...	-26,000	-26,000
Medical and prosthetic research	140,070	138,248	-1,822
Medical administration and miscellaneous operating expenses	54,317	52,809	-1,508
Construction, major projects	423,774	261,614	-162,160
Construction, minor projects	110,211	109,811	-400
Total existing legislation			-231,117
Function 705:			
General operating expenses	655,859	641,859	-14,000
Total proposed legislation	...	-180	-180
			-14,180
Total 1981 change			-250,297

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OUTLAYS

(Thousands of Dollars)

Appropriation/Fund Account	1980	1981	1982		Revised	
			January	Revised	+ or - Jan.	+ or - 81
Federal funds:						
General operating expenses	629,972	640,260*	668,313	602,013	- 66,300	-38,247
Benefit programs:						
Compensation	7,433,501	8,492,400	8,642,900	8,642,900	...	+150,500
Pensions	3,585,368	3,839,500	4,085,000	4,073,900	- 11,100	+234,400
Burial benefits and miscellaneous assistance	183,213	198,100	203,600	203,600	...	+5,500
Readjustment benefits	2,416,976	2,070,650	1,668,000	1,668,000	...	-402,650
Veterans insurance and indemnities	3,919	9,700	8,500	8,500	...	-1,200
Grants for the construction of State veterans cemeteries	234	5,000	3,000	3,000	...	-2,000
Loan guaranty revolving fund	27,557	-42,346	25,258	25,258	...	+67,604
Direct loan revolving fund	-67,154	-119,240	-72,133	-72,133	...	+47,107
Service-disabled veterans insurance fund	2,789	-5,000*	-100	-3,000	-2,900	+2,000
Veterans reopened insurance fund	-17,227	-21,300*	-17,000	-20,800	-3,800	+500
Education loan fund	3,338	2,850	1,500	1,500	...	-1,350
Vocational rehabilitation revolving fund	8	964	272	272	...	-692
Servicemen's group life insurance fund	-146	145	...	...	...	-145
Total benefit programs	13,572,377	14,431,423	14,548,797	14,530,997	- 17,800	+99,574
Medical programs:						
Medical care	5,981,288	6,265,646*	6,983,227	6,653,173	-330,054	+387,527
Medical and prosthetic research	130,912	137,994*	155,381	145,699	-9,682	+7,705
Medical administration and miscellaneous operating expenses	50,052	52,759*	64,572	58,400	-6,172	+5,641
Grants for construction of State extended care facilities	14,223	5,905	9,153	9,153	...	+3,248
Grants to the Republic of the Philippines	1,330	1,200	320	320	...	-880
Assistance for health manpower training institutions	42,406	49,529	22,005	22,005	...	-27,524
Construction and operation of garage and parking facilities	-122	-160	4,692	4,692		+4,852
Canteen service revolving fund	-887	-843*	-1,550	-3,650	-2,100	-2,807
Special therapeutic and rehabilitation activities fund	-191	-255	-257	-257	...	-2
Supply fund	-4,249	4,700*	...	-800	-800	-5,500
Consolidated working fund	1,369	...	...	...	...	...
Total medical programs	6,216,131	6,516,475	7,237,543	6,888,735	-348,808	+372,260
Construction programs:						
Construction, major projects	189,506	248,965*	443,143	352,143	-91,000	+103,178
Construction, minor projects	105,168	101,136*	101,453	93,453	-8,000	-7,683
Total construction programs	294,675	350,101	544,596	445,596	-99,000	+95,495
Total appropriations & funds	20,713,155	21,938,259	22,999,249	22,467,341	-531,908	+529,082
Proposed legislation:						
Compensation	...	...	952,300	867,200	-85,100	+867,200
Readjustment benefits	...	-14,000*	30,790	-32,200	-62,990	-18,200
Medical care	...	-26,000*	-46,913	-106,913	-60,000	-80,913
General operating expenses	...	-180*	948	-685	-1,633	-505
Proprietary receipts from the public 1/	...	...	-30,500	-30,500	...	-30,500
Total proposed legislation	...	-40,180	906,625	696,902	-209,723	+737,082
Proprietary receipts from the public	-2,450	-3,073	-3,073	-3,073	...	...
Total federal funds	20,710,705	21,895,006	23,933,301	23,191,670	-741,631	+1,296,664

OUTLAYS (cont)

(Thousands of Dollars)

Appropriation/Fund Account	1980	1981	1982		Revised	
			January	Revised	+ or - Jan.	+ or - 1981
Trust funds:						
Post-Vietnam era veterans education account	32,653	34,700	39,600	39,600	...	+4,900
General post fund	6,186	6,800	7,100	7,100	...	+300
National service life insurance	928,228	956,400*	1,062,500	979,000	-83,500	+22,600
U.S. Government life insurance	76,683	66,700	62,500	62,500	...	-4,200
Veterans special life insurance	-44,317	-50,700*	-45,700	-51,500	-5,800	-800
Total trust funds (gross)	999,434	1,013,900	1,126,000	1,036,700	-89,300	+22,800
Proprietary receipts from the public	-572,587	-617,615	-615,028	-615,028	...	+2,587
Total trust funds (net)	426,846	396,285	510,972	421,672	-89,300	+25,387
Intragovernmental transactions	-3,014	-9,475	-14,124	-14,124	...	-4,649
Total Veterans Administration	21,134,538	22,281,816	24,430,149	23,599,218	-830,931	+1,317,402

1/ Trust fund - amount included in total proposed legislation, trust fund proprietary receipts, and total trust funds (net), excluded from total federal funds.

* Existing legislation:	1981 Jan.	1981 Rev.	Rev/Jan
Medical Care	6,306,073	6,265,646	-40,427
Medical and prosthetic Research	139,816	137,994	-1,822
Medical administration and miscellaneous operating expenses	54,267	52,759	-1,508
General operating expenses	654,260	640,260	-14,000
Construction, major projects	276,965	248,965	-28,000
Construction, minor projects	101,536	101,136	-400
Veterans reopened insurance fund	-17,600	-21,300	-3,700
Service-disabled veterans insurance fund	-2,700	-5,000	-2,300
Canteen service revolving fund	-143	-843	-700
Supply revolving fund	5,000	4,700	-300
National service life insurance	1,035,700	956,400	-79,300
Veterans special life insurance	-45,000	-50,700	-5,700
Total existing legislation			-178,157
Proposed legislation:			
Readjustment benefits	...	-14,000	-14,000
Medical care	...	-26,000	-26,000
General operating expenses	...	-180	-180
Total proposed legislation			-40,180
Total 1981 change			-218,337

FUNCTIONAL DISTRIBUTION OF VA ESTIMATES

(Thousands of Dollars)

Function and Program	OUTLAYS				
	1980	1981	1982 January	1982 Revised	Rev/Jan
701: Income security for veterans:					
Compensation	7,433,501	8,492,400	8,642,900	8,642,900	...
Proposed legislation	...	...	952,300	867,200	-85,100
Pensions	3,585,368	3,839,500	4,085,000	4,073,900	-11,100
Burial benefits and miscellaneous assistance	183,213	198,100	203,600	203,600	...
Veterans insurance and indemnities	3,919	9,700	8,500	8,500	...
Service-disabled veterans insurance	2,789	-5,000*	-100	-3,000	-2,900
Veterans reopened insurance	-17,227	-21,300*	-17,000	-20,800	-3,800
Servicemen's group life insurance	-146	145	...	...	...
National service life insurance	928,228	956,400*	1,062,500	979,000	-83,500
U.S. Government life insurance	76,683	66,700	62,500	62,500	...
Veterans special life insurance	-44,317	-50,700*	-45,700	-51,500	-5,800
NSLI & USGLI receipts	-464,299	-473,763	-477,552	-477,552	...
Sub-total, income security for veterans	11,687,712	13,012,182	14,476,948	14,284,748	-192,200
702: Veterans education, training and rehabilitation:					
Readjustment benefits	2,416,976	2,070,650	1,668,000	1,668,000	...
Proposed legislation	...	-14,000*	30,790	-32,200	-62,990
Education loan fund	3,338	2,850	1,500	1,500	...
Vocational rehabilitation revolving fund	8	964	272	272	...
Post-Vietnam era veterans education account	32,653	34,700	39,600	39,600	...
Post-Vietnam era veterans education account receipts	-111,302	-153,327	-121,100	-121,100	...
Proposed legislation	...	...	-30,500	-30,500	...
Sub-total, veterans education, training and rehabilitation	2,341,673	1,941,837	1,588,562	1,525,572	-62,990
703: Hospital and medical care for veterans:					
Medical care	5,981,288	6,265,646*	6,983,227	6,653,173	-330,054
Proposed legislation	...	-26,000*	-46,913	-106,913	-60,000
Medical and prosthetic research	130,912	137,994*	155,381	145,699	-9,682
Medical administration and miscellaneous operating expenses	50,052	52,759*	64,572	58,400	-6,172
Construction, major projects	189,506	248,965*	443,143	352,143	-91,000
Construction, minor projects	105,168	101,136*	101,453	93,453	-8,000
Grants for construction of State extended care facilities	14,223	5,905	9,153	9,153	...
Grants to the Republic of the Philippines	1,330	1,200	320	320	...
Assistance for health manpower training institutions	42,406	49,529	22,005	22,005	...
Construction and operation of garage and parking facilities	-122	-160	4,692	4,692	...
Special therapeutic & rehabilitation activities fund	-191	-255	-257	-257	...
Sub-total, hospital and medical care for veterans	6,514,572	6,836,719	7,736,776	7,231,868	-504,908
704: Veterans housing:					
Loan guaranty revolving fund	27,557	-42,346	25,258	25,258	...
Direct loan revolving fund	-67,154	-119,240	-72,133	-72,133	...
Sub-total, veterans housing	-39,596	-161,586	-46,875	-46,875	...

FUNCTIONAL DISTRIBUTION OF VA ESTIMATES (cont)
(Thousands of Dollars)

Function and Program	OUTLAYS				
			1982		
	1980	1981	January	Revised	Rev/Jan
705: Other veterans benefits and services:					
General operating expenses	629,972	640,260*	668,313	602,013*	-66,300
Proposed legislation	...	-180	948	-685*	-1,633
Grants for the construction of State veterans cemeteries	234	5,000	3,000	3,000	...
Canteen service revolving fund	-887	-843*	-1,550	-3,650*	-2,100
Supply fund	-4,249	4,700*	...	-800*	-800
Consolidated working fund	1,369	...	...	...	...
General post fund	6,186	6,800	7,100	7,100	...
Sub-total, other veterans benefits and services	632,626	655,737	677,811	606,978	-70,833
Deduction for offsetting receipts	-2,283	-2,906	-2,906	-2,906	...
Sub-tot, function 700 distributions of VA estimates	21,134,705	22,281,983	24,430,318	23,599,385	-830,931
Deduction for offsetting receipts (function 806 and 902)	-167	-167	-167	-167	...
Total Veterans Administration	21,134,538	22,281,816	24,430,149	23,599,218	-830,931

*

	1981 Jan	1981 Rev.	Rev/Jan.
Function 701:			
Veterans reopened insurance fund	-17,600	-21,300	-3,700
Service-disabled veterans insurance fund	-2,700	-5,000	-2,300
National service life insurance	1,035,700	956,400	-79,300
Veterans special life insurance	-45,000	-50,700	-5,700
			-91,000
Function 702:			
Readjustment benefits	...	-14,000	-14,000
Function 703:			
Medical care	6,306,073	6,265,646	-40,427
Proposed legislation	...	-26,000	-26,000
Medical and prosthetic research	139,816	137,994	-1,822
Medical administration and misc. operating expenses	54,267	52,759	-1,508
Construction, major projects	276,965	248,965	-28,000
Construction, minor projects	101,536	101,136	-400
			-98,157
Function 705:			
General operating expenses	654,260	640,260	-14,000
Proposed legislation	...	-180	-180
Canteen service revolving fund	-143	-843	-700
Supply revolving fund	5,000	4,700	-300
			-15,180
Total 1981 change			218,337

SUPPLEMENTAL APPROPRIATIONS

The following supplemental proposals for fiscal year 1981 are contained in the President's amended fiscal year 1982 budget:

	(thousands of dollars)			
	Civilian Pay Raises	Wage Board	Program Increases	Total Request
Compensation	...	...	1,040,600	1,040,600
Readjustment	...	...	217,500	217,500
Veterans Insurance and Indemnities	...	...	4,740	4,740
Medical Care	194,816*	31,162	79,967	305,945
Medical and Prosthetic Research	6,095*	...	...	6,095
Medical Administration and Miscellaneous Operating Expenses	1,591	...	...*	1,591
General Operating Expenses	13,017*	1,250	...	14,267
Construction, Minor Projects	903*	...	...	903
Vocational Rehabilitation Revoling Fund	...	...	1,250	1,250
Total Request	216,422	32,412	1,344,057	1,592,891

Civilian Pay Raises:

An amount or $216,422,000 is requested to cover the cost of civilian pay raises for FY 1981. The agency is absorbing $85,340,000, of the total pay cost of $334,174,000. The total cost consists of $33,339,000 for wage board increases during FY 1981 and $300,835,000 for the October 5, 1980 general 9.1% pay raise.

Program Increases:

Compensation:

A supplemental of $1,040,600,000 is requested for Compensation to cover the cost of the compensation rate increase effective October 1, 1980.

Readjustment Benefits:

A supplemental of $217,500,000 is requested for Readjustment Benefits to fund the greater than anticipated training load during the year, and to provide for increases in educational allowances as well as program enhancements authorized by recently enacted legislation.

Veterans Insurance and Idemnities:

A supplemental of $4,740,000 is requested for Veterans Insurance and Indemnities to adequately fund the Service-Disabled Insurance Fund. The Service-disabled program provides insurance coverage for service-disabled veterans at standard rates.

Medical Care:

An amount of $79,967,000 is requested to provide funding support to implement the Veterans Administration Health Care Amendments of 1980, PL 96-330, and for additional beneficiary travel resources required under section 111 of Title 38.

Vocational Rehabilitation Revolving Fund:

A supplemental of $1,250,000 is requested for the Vocational Rehabilitation Revolving Fund to fund anticipated increases in both the number and amount of loans resulting from enactiment of PL 96-466. The maximum loan amount will increase from $200 to $564.

	1981 Jan.	1981 Rev.	Rev/Jan
*Medical care	234,043	194,816	-39,277
Medical and prothetic research	7,917	6,095	-1,822
Medical administration and miscellaneous operating expenses	1,508	...	-1,508
General operating expenses	27,017	13,017	-14,000
Construction, minor projects	1,303	903	-400
Total supplemental change			-56,957

PROPOSED LEGISLATION

The following items are included in the President's legislative program for the First Session of the 97th Congress and have been included in his FY 1982 Budget.

	1981		1982	
	Budget Authority	Outlays	Budget Authority	Outlays
	(In thousands of dollars)			
Compensation:				
o To provide a 11.2% compensation rate increase for veterans and their surviving spouses and children, effective October 1, 1981	...	...	946,000	867,200
Readjustment Benefits:				
o To eliminate benefits for flight training programs, effective July 1, 1981	-10,030	-10,030	-23,071	-23,071
o To eliminate benefits for correspondence training programs, effective July 1, 1981	-3,970	-3,970	-9,129	-9,129
Total, Readjustment Benefits	-14,000	-14,000	-32,200	-32,200
Medical Care:				
o To eliminate presumptive service connection for class II outpatient dental treatment now provided one year after discharge, effective July 1, 1981	-8,000	-8,000	-31,913	-31,913
o To restrict payments of beneficiary travel for non-service-connected veterans	-8,000	-8,000	-35,000	-35,000
o To cap physician pay by restricting special pay to no more than 12% of the total funding appropriated	-10,000	-10,000	-40,000	-40,000
Total, Medical Care	-26,000	-26,000	-106,913	-106,913
General Operating Expenses:				
o To reduce administrative expenses related to the proposed elimination of flight training programs, effective July 1, 1981	-60	-60	-222	-222
o To reduce administrative expenses related to the proposed elimination of correspondence training program, effective July 1, 1981	-120	-120	-445	-445
o To reduce administrative expenses related to establishing a delimiting date for application for VA benefits by Philippine scouts	...	...	-18	-18
Total, General Operating Expenses	-180	-180	-685	-685
Post-Vietnam Era Veterans Education Account:				
o To extend this program in its present format an additional year until December 31, 1982	...	...	30,500	...
o To record the proprietary receipts derived from extending this program one year	...	...	-30,500	-30,500
Total Post-Vietnam Era Veterans Education Account	...	...	...	-30,500
Total Proposed Legislation	-40,180	-40,180	806,202	696,902

AVERAGE EMPLOYMENT
FY 1980
Actual

	Ceiling			Non Ceiling	Total
	FTP	Other	Total		
Office of Administrator	49	2	51	1	52
Information Service	48	...	48	...	48
General Counsel	563	14	577	4	581
Board of Veterans Appeals	324	5	329	...	329
AA/Personnel	186	15	201	7	208
Office of Manpower	10	...	10	...	10
AA/Planning and Program Evaluation	70	...	70	2	72
Inspector General	326	3	329	1	330
Management Services	25	...	25	1	26
Administrative Services	170	4	174	4	178
Controller	484	15	499	13	512
AA/Human Goals	29	1	30	1	31
Staff Offices	2,284	59	2,343	34	2,377
Data Management & Telecommunications	1,920	25	1,945	23	1,968
Department of Veterans Benefits	16,293	464	16,757	157	16,914
Department of Memorial Affairs	971	130	1,101	10	1,111
General Operating Expenses	21,468	678	22,146	224	22,370
Medical care	161,647	21,741	183,388	1,666	185,054
Medical and prosthetic research	2,351	2,001	4,352	8	4,360
Medical administration and miscellaneous operating expenses	696	105	801	30	831
Canteen	2,809	621	3,430	12	3,442
Department of medicine and surgery	167,503	24,468	191,971	1,716	193,687
Supply	658	17	675	4	679
Construction	636	83	719	11	730
Veterans Administration	190,265	25,246	215,511	1,955	217,466

AVERAGE EMPLOYMENT
FY 1981
Budget Amended

	Ceiling			Non Ceiling	Total
	FTP	Other	Total		
Existing Legislation:					
Office of Administrator	51	...	51	...	51
Information Service	46	...	46	...	46
General Counsel	629	6	635	2	637
Board of Veterans Appeals	332	1	333	...	333
Office of Personnel	201	7	208	7	215
Office of Manpower	10	...	10	...	10
Changes	-5	...	-5	...	-5
Budget Amended	5	...	5	...	5
Office of Planning & Program Evaluation	70	...	70	...	70
Inspector General	356	...	356	...	356
Management Services	24	...	24	...	24
Administrative Services	173	1	174	2	176
Controller	491	1	492	...	492
Office of Human Goals	28	...	28	...	28
Staff Offices	2,411	16	2,427	11	2,438
Change	-5	...	-5	...	-5
Budget Amended	2,406	16	2,422	11	2,433
Data Management & Telecommunications	1,917	36	1,953	20	1,973
Department of Veterans Benefits	16,296	380	16,676	89	16,765
Change	-365	...	-365	...	-365
Budget Amended	15,931	380	16,311	89	16,400
Department of Memorial Affairs	999	161	1,160	5	1,165
Change	...	-1	-1	...	-1
Budget Amended	999	160	1,159	5	1,164
General Operating Expenses	21,623	593	22,216	125	22,341
Change	-370	-1	-371	...	-371
Budget Amended	21,253	592	21,845	125	21,970

AVERAGE EMPLOYMENT
FY 1981
Budget Amended

	Ceiling			Non Ceiling	Total
	FTP	Other	Total		
Medical care	165,087	19,381	184,468	1,401	185,869
Change	-880	-400	-1,280	...	-1,280
Budget Amended	164,207	18,981	183,188	1,401	184,589
Medical and prosthetic research	2,527	1,901	4,428	15	4,443
Change	-74	...	-74	...	-74
Budget Amended	2,453	1,901	4,354	15	4,369
Medical administration and miscellaneous operating expenses	741	101	842	11	853
Change	...	-14	-14	...	-14
Budget Amended	741	87	828	11	839
Canteen	2,962	612	3,574	30	3,604
Change	...	-60	-60	...	-60
Budget Amended	2,962	552	3,514	30	3,544
Department of medicine and surgery	171,317	21,995	193,312	1,457	194,769
Change	-954	-474	-1,428	...	-1,428
Budget Amended	170,363	21,521	191,884	1,457	193,341
Supply	683	10	693	3	696
Change	-12	...	-12	...	-12
Budget Amended	671	10	681	3	684
Construction appropriations	694	118	812	12	824
Change	-21	+7	-14	...	-14
Budget Amended	673	125	798	12	810
Total Existing Legislation	194,317	22,716	217,033	1,597	218,630
Change	-1,357	-468	-1,825	...	-1,825
Budget Amended	192,960	22,248	215,208	1,597	216,805
Proposed Legislation:					
General Operating Expenses	...	...	...	...	...
Change	-12	...	-12	...	-12
Budget Amended	-12	...	-12	...	-12
Veterans Administration	194,317	22,716	217,033	1,597	218,630
Change	-1,369	-468	-1,837	...	-1,837
Budget Amended	192,948	22,248	215,196	1,597	216,793

AVERAGE EMPLOYMENT
FY 1982
Budget Amended

	Ceiling			Non	
	FTP	Other	Total	Ceiling	Total
Existing legislation:					
Office of Administrator	50	...	50	...	50
Change	-2	...	-2	...	-2
Budget Amended	48	...	48	...	48
Information Service	45	...	45	...	45
General Counsel	650	6	656	2	658
Change	-20	...	-20	...	-20
Budget Amended	630	6	636	2	638
Board of Veterans Appeals	342	...	342	...	342
Change	-10	...	-10	...	-10
Budget Amended	332	...	332	...	332
Office of Personnel	204	7	211	7	218
Change	-7	...	-7	...	-7
Budget Amended	197	7	204	7	211
Office of Manpower	10	...	10	...	10
Change	-10	...	-10	...	-10
Budget Amended	...	...	...	...	...
Office of Planning and Program Evaluation	70	...	70	...	70
Change	-2	...	-2	...	-2
Budget Amended	68	...	68	...	68
Inspector General	360	...	360	...	360
Change	-11	...	-11	...	-11
Budget Amended	349	...	349	...	349
Management Services	25	...	25	...	25
Administrative Services	173	1	174	2	176
Change	-3	...	-3	...	-3
Budget Amended	170	1	171	2	173
Controller	569	1	570	...	570
Change	-17	...	-17	...	-17
Budget Amended	552	1	553	...	553
Office of Human Goals	29	...	29	...	29
Staff Offices	2,527	15	2,542	11	2,553
Change	-82	...	-82	...	-82
Budget Amended	2,445	15	2,460	11	2,471
Data Management & Telecommunications	2,017	20	2,037	14	2,051
Change	-140	...	-140	...	-140
Budget Amended	1,877	20	1,897	14	1,911
Department of Veterans Benefits	15,854	380	16,234	87	16,321
Change	-1,800	...	-1,800	...	-1,800
Budget Amended	14,054	380	14,434	87	14,521
Department of Memorial Affairs	1,026	133	1,159	5	1,164
General Operating Expenses	21,424	548	21,972	117	22,089
Change	-2,022	...	-2,022	...	-2,022
Budget Amended	19,402	548	19,950	117	20,067

AVERAGE EMPLOYMENT
FY 1982
Budget Amended

	FTP	Other	Total	Non Ceiling	Total
Medical care	165,345	19,541	184,886	1,401	186,287
Change	-2,181	-3,000	-5,181	...	-5,181
Budget Amended	163,164	16,541	179,705	1,401	181,106
Medical and prosthetic research	2,488	2,098	4,586	15	4,601
Change	-108	-200	-308	...	-308
Budget Amended	2,380	1,898	4,278	15	4,293
Medical administration and miscellaneous operating expenses	816	101	917	11	928
Change	-48	-14	-62	...	-62
Budget Amended	768	87	855	11	866
Canteen	2,962	612	3,574	30	3,604
Change	...	-240	-240	...	-240
Budget Amended	2,962	372	3,334	30	3,364
Department of medicine and surgery	171,611	22,352	193,963	1,457	195,420
Change	-2,337	-3,454	-5,791	...	-5,791
Budget Amended	169,274	18,898	188,172	1,457	189,629
Supply	683	10	693	3	696
Change	-39	-8	-47	...	-47
Budget Amended	644	2	646	3	649
Construction appropriations	781	132	913	13	926
Change	-54	-7	-61	...	-61
Budget Amended	727	125	852	13	865
Total Existing Legislation	194,499	23,042	217,541	1,590	219,131
Change	-4,452	-3,469	-7,921	...	-7,921
Budget Amended	190,047	19,573	209,620	1,590	211,210
Proposed Legislation:					
General Operating Expenses	29	...	29	...	29
Change	-74	...	-74	...	-74
Budget Amended	-45	...	-45	...	-45
Veterans Administration	194,528	23,042	217,570	1,590	219,160
Change	-4,526	-3,469	-7,995	...	-7,995
Budget Amended	190,002	19,573	209,575	1,590	211,165

PART 19. 1982 BUDGET HIGHLIGHTS

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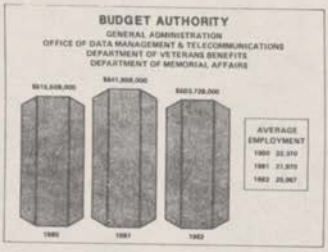
GENERAL OPERATING EXPENSES

Summary

This appropriation funds the Veterans Administration non-medical administracive support cost for the following activities: General Administration, Office of Data Management and Telecommunications, Department of Veterans Benefits, and Department of Memorial Affairs.

General Administration covers the Administrator's Office and several other top Agency Staff Offices which provide management assistance and support to all Agency programs. The Office of Data Management and Telecommunications operates the Agency's computer centers and provides assistance in ADP system development and communications planning. The Department of Veterans Benefits operates a network of 59 veterans offices through which all non-medical veterans claims are developed. In FY 1982, DVB plans to consolidate claims processing and loan guaranty activities. It is estimated that this consolidation will result in personnel savings of 1,673 work years. In addition, legislation is being proposed for the utilization of private credit bureaus for the collection of overpayments. The Department of Memorial Affairs will operate and maintain 107 National Cemeteries and 33 other miscellaneous site in FY 1982.

Budget authority requested for 1982 decreases by $38.1 million from the 1981 level.



Costs and Budget Authority
($'s in thousands)

			1982		Change	
	1980	Revised 1981*	January Budget	Revised	Rev +/- Jan Bud	Rev +/- 1981
Program:						
General Administration	$ 83,865	$ 91,782	$ 97,489	$ 94,513	$- 2,976	$+ 2,731
Office of Data Management and Telecommunications	61,351	62,821	73,932	70,753	- 3,179	+ 7,932
Dept. of Veterans Benefits	437,447	456,329	465,633	405,523	-60,110	-50,806
Dept. of Memorial Affairs	30,552	32,397	34,444	34,409	- 35	+ 2,012
Total program costs	613,215	643,329	671,498	605,198	-66,300	-38,131
Adjustment to obligations	- 7,998	...	...	...	...	...
Total obligations	605,217	643,329	671,498	605,198	-66,300	-38,131
Financing:						
Reimbursements	- 2,446	- 1,470	- 1,470	- 1,470	...	...
Unobligated bal. lapsing/rescinded	13,838	...	...	...	...	...
Budget authority	$616,609	$641,859	$670,028	$603,728	$-66,300	$-38,131
Supplementals included	...	(14,267)	...	...	...	...

* Reflects revised 1981 estimate.

Budget estimates for each of the four "General Operating Expenses" activities follows:

GENERAL ADMINISTRATION

"General Administration" is one of four major budget activities of the "General Operating Expenses" appropriation. It consists of the Office of the Administrator and his agency-level staff offices except the Office of the Assistant Administrator for Construction, which is budgeted under the "Construction Minor Projects" appropriation.

Costs By Staff Office
($'s in thousands)

			1982		Change	
	1980	Revised 1981*	January Budget	Revised	Rev.+/- Jan Bud	Rev. +/- 1981
Office of Administrator	$ 1,943	$ 1,994	$ 2,071	$ 2,013	$- 58	$+ 19
Information Services	1,577	1,703	1,701	1,697	- 4	- 6
General Counsel	18,552	21,481	23,117	22,549	- 568	+1,068
Board of Veterans Appeals	9,446	10,572	11,121	10,876	- 245	+ 304
Personnel	6,876	7,830	8,406	7,775	- 631	- 55
Office of Manpower Programs	408	202	500	...	- 500	- 202
Planning and Program Evaluation	2,573	2,976	3,084	3,023	- 61	+ 47
Inspector General	11,641	12,409	12,868	12,477	- 391	+ 68
Management Services	745	724	1,124	1,124	...	+ 400
Administrative Services	14,235	14,386	15,519	15,445	- 74	+1,059
Controller	14,887	16,480	16,889	16,463	- 426	- 17
Office of Human Goals	982	1,025	1,089	1,071	- 18	+ 46
Total costs	83,865	91,782	97,489	94,513	-2,976	+2,731
Finance Adjustments	- 875	- 60	- 60	- 60	...	...
Budget Authority	$82,990	$91,722	$97,429	$94,453	$-2,976	$+2,731

Average Employment

			1982		Change	
	1980	Revised 1981*	January Budget	Revised	Rev +/- Jan Bud	Rev +/- 1981
Office of Administrator	52	51	50	48	- 2	- 3
Information Services	48	46	45	45	...	- 1
General Counsel	581	637	658	638	- 20	+ 1
Board of Veterans Appeals	329	333	342	332	- 10	- 1
Personnel	208	215	218	211	- 7	- 4
Office of Manpower Programs	10	5	10	...	- 10	- 5
Planning and Program Evaluation	72	70	70	68	- 2	- 2
Inspector General	330	356	360	349	- 11	- 7
Management Services	26	24	25	25	...	+ 1
Administrative Services	178	176	176	173	- 3	- 3
Controller	512	492	570	553	- 17	+ 61
Office of Human Goals	31	28	29	29	...	+ 1
Total Average Employment	2,377	2,433	2,553	2,471	- 82	+ 38

Budget authority required for FY 1982 increases $2,731,000 over the FY 1981 level. Average employment for FY 1982 increases 38 over the FY 1981 level.

The fiscal year 1982 budget provides for the following:

a. Twenty work year increase in the collection of accounts receivable overpayments.
b. Convert an additional 41 DM&S facilities to a fully automated accounting system (CALM).
c. Automation improvements such as VA regulations, Federal register, correspondence tracking, and payroll accounting.

The major changes in the 1982 estimates from the January budget are the elimination of the Office of Manpower Programs and a further decrease in executive development.

* Reflects revised 1981 estimate adjusted for reductions in travel, consultant services, equipment, and executive development.

DATA MANAGEMENT & TELECOMMUNICATIONS

The mission of the Office of Data Management and Telecommunications is to provide a complete range of automatic data processing and telecommunications services to all Departments and Staff Offices of the Veterans Administration:

Summary of Requirements
($'s in thousands)

			1982		Change	
	1980	Revised 1981*	January Budget	Revised	Rev +/- Jan Bud	Rev +/- Jan Bud
Average Employment	1,968	1,973	2,051	1,911	- 140	- 62
Costs:						
Payroll	43,546	47,216	51,376	48,376	$-3,000	$+1,160
Lease of Computer Equipment	1,505	1,211	1,588	1,588	...	+ 377
Contractual Services	7,437	6,043	10,219	10,248	+ 29	+4,205
Computer/Components: Equipment	6,202	5,578	1,951	1,951	...	-3,627
All Other	13,243	14,462	21,227	21,019	- 208	+6,557
Total Costs (Juris)	71,933	74,510	86,361	83,182	-3,179	+8,672
Financing Adjustments	-16,439	-11,999	-12,739	-12,739	...	- 740
Budget Authority	55,494	62,511	73,622	70,443	-3,179	+7,932

Budget authority required for ODM&T increases $7.9 million in FY 1982 from the 1981 level. Employment decreases by an average of 62. The FY 1982 budget includes the following program considerations:

a. Expansion of the Automated Pharmacy System:
The FY 1982 funding will be required for the phased implementation of the existing Automated Pharmacy System (APPLES), now being converted, to operate on VA owned minicomputers, at approximately 18 health care facilities.

b. Health Care Information System (HCIS):
FY 1982 funding is required to provide continued technical support to the preparation of a mission need request for proposal leading to the development of alternative system design concepts.

c. Agent Orange:
The FY 82 funding is required to install and operate an automated system in support of the Agent Orange project. The VA must obtain and disseminate accurate data with regard to possible correlation between herbicide exposure and long-term effects on veterans' health.

d. Debt Collection Automation:
Continuation of developments initiated in FY 1981 is required to permit the full implementation of enacted debt collection legislation.

e. Redesign of Payroll (PAID) System:
Additional FY 1982 funding will allow for redesign of the Agency Payroll (PAID) System to provide expanded functions and improved performance.

f. Expansion of Other ADP Activities:
Additional employment and funding will provide for initiation or enhancement of automation efforts in the following areas: Headstone and Marker applications, Consumer Affairs, Budget Automation, Manpower Tracking, Automation of VA regulations and record controls, and Construction Automation.

g. Closing St. Paul DPC:
To achieve maximum economies in DPC operations, the workload from the St. Paul DPC will be transferred to the larger DPC's resulting in closure of that facility. This will result in estimated savings of 140 average employment and $3,000,000 in FY 1982.

* Revised FY 1981 estimate adjusted for reductions in travel, consultant services, and equipment.

DEPARTMENT OF VETERANS BENEFITS

The Department of Veterans Benefits, one of three major operating elements of the Veterans Administration, is responsible for providing direct benefits and services (except medical) authorized by law to veterans, their widows and beneficiaries. These benefits include compensation for service-connected disabilities; pension for the aged, needy and unemployable veterans; vocational rehabilitation assistance, educational and training assistance; home buying assistance, life insurance coverage, estate protection services for veterans under legal disability; and information and assistance through personalized contacts.

Costs and Employment by Activity
($'s in thousands)

			1982		Change	
	1980	Revised 1981*	January Budget	Revised	Rev +/- Jan Bud	Rev +/- 1981
Executive Direction	$ 13,589	$ 13,646	$ 14,301	$ 12,620	$- 1,681	$- 1,026
Veterans Services	93,821	76,754	76,587	66,204	-10,383	-10,550
Compensation, Pension & Education	134,945	138,575	139,627	119,225	-20,402	-19,350
Loan Guaranty	49,965	53,318	50,364	43,824	- 6,540	- 9,494
Insurance	8,646	8,854	9,312	8,483	- 829	- 371
Vocational Counseling & Rehabilitation Service	...	17,597	19,471	17,954	- 1,517	+ 357
Office Services	136,481	147,585	155,971	137,213	-18,758	-10,372
Total Costs	437,447	456,329	465,633	405,523	-60,110	-50,806
Adjustment to Obligations	- 2,322	...	...	...	...	...
Total Obligations	435,125	456,329	465,633	405,523	-60,110	-50,806
Reimbursements	- 1,850	- 1,000	- 1,000	- 1,000	...	...
Budget Authority	$433,275	$455,329	$464,633	$404,523	$-60,110	$-50,806
Average Employment:						
Executive Direction	472	440	454	400	- 54	- 40
Veterans Services	4,039	3,300	3,186	2,804	- 382	- 496
Compensation, Pension & Education	5,540	5,350	5,231	4,730	- 501	- 620
Loan Guaranty	2,349	2,300	2,162	1,844	- 318	- 456
Insurance	494	475	490	450	- 40	- 25
Vocational Counseling & Rehabilitation Service	...	566	681	566	- 115	...
Office Services	4,020	3,969	4,117	3,727	- 390	- 242
Total Average Employment	16,914	16,400	16,321	14,521	- 1,800	- 1,879

DVB requires $404.5 million and 14,521 work years to conduct operations in FY 1982. This represents a decrease of $50.8 million and 1,879 work years from the current FY 1981 estimate. These reductions are a result of an expected decline in the number of education trainees savings resulting from the complete installation of the CP&E Target System, consolidation of claims processing activities nationwide, and lower State Approval Agency costs. The FY 1982 Budget request includes the following program changes:

a. Full operation of the CP&E TARGET System will result in additional FY 1981 average employment savings . Cumulative average employment savings will total approximately 1,400.
b. Declining education workloads are expected to result in reduced employment requirements for education claim processing.
c. Establishment in FY 1981 of a Vocational Counseling and Rehabilitation Service which would provide assistance to veterans with service-connected disabilities in achieving maximum independence in daily living, to become employable, and to obtain and maintain suitable employment. This service would also provide comprehensive professional counseling services to eligible persons.
d. DVB's debt collection effort will be expanded in FY 1982. The FY 1982 request includes 197 work years, or an increase of 116 work years over the FY 1981 employment level for the collection of accounts receivable.
e. Savings of $46.4 million and 1,673 work years are estimated in FY 1982. These savings are the result of reductions in some program activities and possible regionalization of operations involving delivery of benefits.

The major changes in the 1982 estimates from the January budget are the regionalization of operations, lower State Approval Agency costs, eliminate the expansion of the Vocational Rehabilitation program, and elimination of the Micrographic and Automated Retrieval System study.

* Reflects revised 1981 estimate adjusted for lower State Approval Agency payments; reductions in travel; consultant services, equipment; eliminate vocational rehabilitation expansion; and impact of Government-wide hiring restrictions.

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DEPARTMENT OF MEMORIAL AFFAIRS

The mission of the Department of Memorial Affairs is to provide for the interment of eligible deceased servicepersons, discharged veterans and dependents in any open national cemetery, and procurement of headstones and markers for graves of eligible active duty personnel and discharged veterans.

Summary of Requirements
($'s in thousands)

	1980	Revised 1981*	January Budget	Revised	Rev +/- Jan Bud	Rev +/- 1981
Average Employment	1,111	1,164	1,164	1,164	...	...
Costs:						
Payroll	$21,098	$23,274	$23,332	$23,332	$ ...	$+ 58
Other Services	4,217	3,058	3,588	3,586	- 2	+ 528
Supplies & Materials	1,925	1,785	2,172	2,172	...	+ 387
Equipment	928	1,445	1,937	1,932	- 5	+ 487
Lands & Structures	430	760	1,110	1,110	...	+ 350
All Other	1,809	2,075	2,305	2,277	- 28	+ 202
Total Costs	30,407	32,397	34,444	34,409	- 35	+2,012
Financing Adjustments	+ 605	- 100	- 100	- 100	...	...
Budget Authority	$31,012	$32,297	$34,344	$34,309	$- 35	$+2,012

Budget authority required for fiscal year 1982 is $34,309,000 and provides for the following:

a. Maintenance and operation of 140 existing cemeterial activities.
b. Maintenance of 1,486,000 gravesites of which over 45,000 are at the recently opened cemeteries at Riverside, California and Calverton, New York, and Bourne, Massachusetts.
c. Interment of 48,000 deceased veterans or other beneficiaries.
d. Processing of 268,000 headstone or marker applications.
e. Automation of a headstone/marker application process.
f. Opening of new regional cemetery at Indiantown Gap, PA in late FY 1982.

* Reflects revised 1981 estimate adjusted for reductions in travel, consultant services, and equipment.

GENERAL OPERATING EXPENSES

1982 Revised Budget Justifications

The fiscal year 1982 revised request is $66.3 million and 2,022 average employment below the January Budget level, consisting of the following reductions:

Detail	Budget Authority ($'s in thousands)	Average Employment
Consolidation of DVB Regional Office	$46,372	1,673
Decrease size of State Approval Agency payments by about one-half	8,800	...
Eliminate Vocational Rehabilitation Enhancements	2,700	115
Reductions to Central Office Staff	1,728	72
Close St. Paul Data Processing Center	3,000	140
Elimination of Office of Manpower	400	10
Elimination of Automated Micrographics project for DVB Records	400	12
Decreases in travel, consultant services equipment, and training	2,900	...

Appropriations Highlights
($'s in thousands)

	FY 1980	1981		1982	
	Actual	January	Revised	January	Revised
General Administration:					
Average employment	2,377	2,438	2,433	2,553	2,471
Total costs	$ 83,865	$ 92,531	$ 91,782	$ 97,489	$ 94,513
Dept. of Memorial Affairs:					
Average employment	1,111	1,165	1,164	1,164	1,164
Total costs	$ 30,552	$ 32,445	$ 32,397	$ 34,444	$ 34,409
Ofc. of Data Man. & Telecommunications:					
Average employment	1,968	1,973	1,973	2,051	1,911
Total costs	$ 61,351	$ 64,200	$ 62,821	$ 73,932	$ 70,753
Dept. of Veterans Benefits:					
Average employment	16,914	16,765	16,400	16,321	14,521
Total Costs	$437,447	$468,153	$456,329	$465,633	$405,523
Grand Total:					
Average employment	22,370	22,341	21,970	22,089	20,067
Total costs	$613,215	$657,329	$643,329	$671,498	$605,198
Changes in selected resources	- 7,998	...	...	...	...
Total obligations	605,217	657,329	643,329	671,498	605,198
Reimbursements	- 2,446	- 1,470	- 1,470	- 1,470	- 1,470
Unobligated balance lapsing	8,838	...	...	...	...
Budget authority	611,609	655,859	641,859	670,028	603,728
Supplementals:					
October 1980 pay raise	...	-27,017	-13,017	...	...
Wage Board pay raise	...	- 1,250	- 1,250	...	...
Appropriation rescinded (P.L. 96-304)	+ 5,000	...	...	...	...
Appropriation	616,609	627,592	627,592	670,028	603,728
Outlays	629,972	654,260	640,260	668,313	602,013

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GENERAL ADMINISTRATION

1982 Revised Budget Justifications

Costs by Staff Office
($'s in thousands)

	1980	1981		1982	
	Actual	January	Revised	January	Revised
Office of Administrator	$ 1,943	$ 2,004	$ 1,994	$ 2,071	$ 2,013
Information Services	1,577	1,707	1,703	1,701	1,697
General Counsel	18,552	21,569	21,481	23,117	22,549
Board of Veterans Appeals	9,446	10,577	10,572	11,121	10,876
Personnel	6,876	8,093	7,830	8,406	7,775
Manpower	408	403	202	500	...
Planning and Program Evaluation	2,573	2,989	2,976	3,084	3,023
Inspector General	11,641	12,536	12,409	12,868	12,477
Management Services	745	724	724	1,124	1,124
Administrative Services	14,235	14,388	14,386	15,519	15,445
Controller	14,887	16,498	16,480	16,889	16,463
Office of Human Goals	982	1,043	1,025	1,089	1,071
Total costs	83,865	92,531	91,782	97,489	94,513
Financing Adjustments	- 875	- 60	- 60	- 60	- 60
Budget Authority	$82,990	$92,471	$91,722	$97,429	$94,453

OFFICE OF DATA MANAGEMENT & TELECOMMUNICATIONS

SUMMARY OF REVISED 1982 BUDGET ESTIMATES

	1980 ACTUAL	1981 JAN	1981 REV	1982 JAN	1982 REV
Average Employment	1,968	1,973	1,973	2,051	1,911
Costs:					
Personal Svcs	$43,545,663	$47,216,000	$47,216,000	$51,376,000	$48,376,000
Tvl & Trans of Persons	673,665	939,000	851,000	1,028,000	940,000
Trans of Things	211,036	200,000	200,000	443,000	443,000
Rents, Comm & Utilities	9,049,837	10,049,000	10,049,000	13,121,000	13,121,000
Printing & Reproduction	1,826,743	1,900,000	1,900,000	2,243,000	2,243,000
Other Svcs	7,436,762	6,114,000	6,043,000	10,219,000	10,248,000
Supplies & Materials	2,689,488	2,502,000	2,502,000	3,847,000	3,847,000
Equipment	6,500,010	6,969,000	5,749,000	4,084,000	3,964,000
Total Costs (Juris.)	71,933,204	75,889,000	74,510,000	86,361,000	83,182,000
Common Svc Adj (-)	-10,581,516	-11,689,000	-11,689,000	-12,429,000	-12,429,000
Total Costs (net)	61,351,688	64,200,000	62,821,000	73,932,000	70,753,000
Adj to Obligation	-5,467,044	...	...	...	...
Reimbursements	- 390,563	-310,000	-310,000	-310,000	-310,000
Budget Authority	55,494,081	63,890,000	62,511,000	73,622,000	70,443,000

Summary of Budget Request

A request for 1,911 average employment is projected in FY 1982 to carry out the functions of ODM&T. Funding is requested in the amount of $70,443,000 which is an increase of $7,932,000 over the FY 1981 estimates. This increase in costs is caused by:

- o Inflation of computer rent and maintenance and space charges
- o Increased printing, reproduction, supplies and materials for Pharmacy and Agent Orange
- o Increased vendor contracts for Pharmacy, Agent Orange and PAID
- o Increased computer maintenance and data transmission costs for Pharmacy
- o Decreases are partially offset by the planned transfer of the St. Paul DPC functions to other major DPCs.

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DEPARTMENT OF VETERANS BENEFITS

Summary of Budget Estimate

	FY 1980 Actual	1981 January Budget	1981 March Budget	1982 January Budget	1982 March Budget
Personnel compensation ...	$300,718,584	$322,694,000	$317,294,000	$317,401,000	$283,237,000
Personnel benefits	30,548,902	32,720,000	32,191,000	32,202,000	28,854,000
Total personal services and benefits	331,267,486	355,414,000	349,485,000	349,603,000	312,091,000
Employee Travel	2,596,824	3,212,000	2,862,000	3,302,000	2,981,000
All Other Travel	2,842,548	3,045,000	2,755,000	3,080,000	2,760,000
Transportation of things .	827,855	1,150,000	1,450,000	1,025,000	1,025,000
Rents, communications and utilities	58,475,881	63,339,000	63,339,000	68,709,000	56,539,000
Printing and reproduction.	4,416,029	4,416,000	4,416,000	4,416,000	4,416,000
Other services	35,408,391	34,798,000	29,550,000	32,401,000	22,921,000
Supplies	4,722,757	4,720,000	4,720,000	4,720,000	4,720,000
Equipment	412,482	1,500,000	1,193,000	1,850,000	1,543,000
Total Costs	440,970,253	471,594,000	459,770,000	469,106,000	408,996,000
Common service adjustment 1/	-3,522,984	-3,441,000	-3,441,000	-3,473,000	-3,473,000
Net costs	437,447,269	468,153,000	456,329,000	465,633,000	405,523,000
Change in selected resources	-2,322,366	...	...	...	...
Obligations	435,124,903	468,153,000	456,329,000	465,633,000	405,523,000
Reimbursements	-1,850,436	-1,000,000	-1,000,000	-1,000,000	-1,000,000
Appropriation estimate	$433,274,467	$467,153,000	$455,329,000	$464,633,000	$404,523,000

1/ Department of Veterans Benefits provides Management, Finance and Administrative services to the Department of Medicine and Surgery at Regional Office - Hospital Centers. "Common Services" amounts reflect the costs of these services.

Summary of Budget Request

The 1982 request of $404,523,000 is $50,806,000 less than 1981 and will support an average employment of 14,521 which is a reduction of 1,879 from 1981. Employment estimates for 1981 and 1982 reflect projected savings due to implementation of the inquiry and update functions of the Target System now being fully utilized nationwide. Additional savings will be achieved as a result of reductions in some program activities and by possible regionalization of operations involving delivery of benefits.

1982 Budget Amendment

	FY 1980	1981 January Budget	1981 March Budget	1982 January Budget	1982 March Budget
	Average Employment				
Executive Direction.....	472	454	440	454	400
Veterans Services.....	4,039	3,372	3,300	3,186	2,804
Compensation, Pension & Education.....	5,540	5,428	5,350	5,231	4,730
Loan Guaranty.....	2,349	2,322	2,300	2,162	1,844
Insurance.....	494	490	475	490	450
Vocational Rehabilitaion and Counseling Service	...	621	566	681	566
Office Services.....	4,020	4,078	3,969	4,117	3,727
Total Average Employment	16,914	16,765	16,400	16,321	14,521

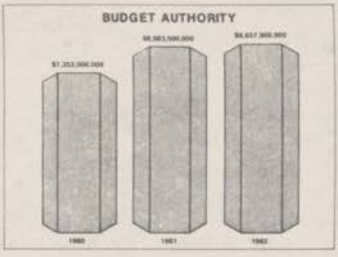
COMPENSATION

This budget proposes splitting the Compensation and Pensions appropriation into three separate accounts - Compensation, Pensions, and Burial Benefits and Miscellaneous Assistance. Each of these three programs is sufficiently large and unique to warrant separate budgetary accounts. The Administration feels a more informative presentation of the budget will result from this approach.

This appropriation provides for the payment of compensation to veterans and their dependents.

Compensation is payable to living veterans who have suffered impairment of earning power from service-connected disabilities. The amount of compensation is based upon the disability or combination of disabilities, and their impact on earning capacity. Death compensation, or dependency and indemnity compensation (DIC), is payable to the surviving spouses and dependents of veterans whose deaths occur while on active duty, or resulted from service-connected disabilities. This benefit is intended to compensate for the loss of family income. A clothing allowance is also provided for service-connected veterans who use prosthetic or orthopedic devices.

The Budget Authority request of $8,657.9 million for 1982 is $74.4 million more than the estimated 1981 level.



Recently enacted legislation:

Public Law 96-385, effective October 1, 1980, increased disability compensation for severely disabled veterans by 14.3%, disability compensation for less severely disabled veterans by 13%, and DIC rates for widows and children by 14.3%. It also increased clothing allowances provided eligible veterans from $240 to $274. The benefits provided by this legislation will total $1,040.6 million.

Proposed Legislation:

Legislation is being proposed to provide a 11.2% compensation rate increase for disabled veterans, DIC spouses, children, and for clothing allowances effective October 1, 1981. The $946.0 million cost of this legislation is not reflected in the following chart. This anticipated rate increase is a reduction below the 12.3% assumption in the January budget; the FY 82 budget authority impact is a $92.8 million reduction.

Costs and Budget Authority
($'s in thousands)

	1980	1981	1982	Change
Veterans Compensation.....	$6,103,643	$7,028,799	$7,085,400	$+ 56,601
Survivors Compensation.....	1,344,644	1,537,840	1,554,000	+ 16,160
Clothing Allowance.....	15,070	18,100	18,500	+ 400
Total Costs.....	7,463,357	8,584,739	8,657,900	+ 73,161
Adjustment to costs.....	+ 4,830	...	...	...
Obligations	7,468,187	8,584,739	8,657,900	+ 73,161
Change in unobligated balance.....	- 115,187	- 1,239	...	+ 1,239
Budget Authority.....	$7,353,000	$8,583,500	$8,657,900	$+ 74,400
Appropriation Request.....	7,337,300	7,508,000	8,657,900	+1,149,900
Transfer from other accounts.....	15,700	34,900	...	- 34,900
Supplemental Request.....	...	1,040,600	...	-1,040,600
Outlays.....	7,433,501	8,492,400	8,557,000	+ 64,600

Compensation caseload is expected to rise less than two-tenths of one percent as the result of a greater number of Vietnam Era and Peacetime Service veterans cases coming on the rolls, than World War I and II veterans going off.

Caseload

	1980	1981	1982	Change
Compensation:				
Veterans	2,268,219	2,275,707	2,281,007	+5,300
Survivors	359,180	357,908	357,862	- 46
Total.....	2,627,399	2,633,615	2,638,869	+5,254
Clothing Allowance..	63,208	66,300	67,400	+1,100

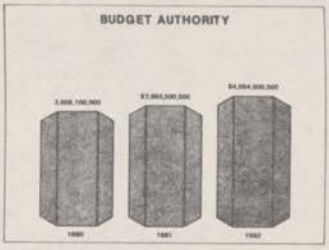
PENSIONS

This appropriation provides for the payment of pensions and related benefits to veterans and their dependents.

Pensions are an income security benefit, payable to needy wartime veterans who are precluded from gainful employment due to nonservice connected disabilities which render them permanently and totally disabled. Veterans, 65 years of age or older, are excluded from the permanent and total disability requirement in determining eligibility. Death pension is payable to needy surviving spouses and children of deceased wartime veterans. The rate payable for both disability and death pension is determined on the basis of the annual income of the veteran or his survivors.

The revised budget reflects a cost of living increase of 11.2% which is 1.1% below the January budget assumption.

The Budget Authority request of $4,094.9 million for 1982 is $234.4 million more than the estimated 1981 level.



Costs and Budget Authority
($'s in thousands)

	1980	1981	1982 January Budget	1982 Revised	Change Rev +/- Jan Bud	Change Rev +/- 1981
Veterans Pensions	$2,227,079	$2,529,600	$2,806,500	$2,798,900	$- 7,600	$+269,300
Survivors Pensions	1,369,088	1,334,603	1,299,500	1,296,000	- 3,500	- 38,603
Total Cost	3,596,167	3,864,203	4,106,000	4,094,900	-11,100	+230,697
Adjustment to cost	+ 8,230	...	...	...	...	...
Obligations	3,604,397	3,864,203	4,106,000	4,094,900	-11,100	+230,697
Change in unobligated balance	+ 3,703	- 3,703	...	...	...	+ 3,703
Budget Authority	$3,608,100	$3,860,500	$4,106,000	$4,094,900	$-11,100	$+234,400
Outlays	$3,585,368	$3,839,500	$4,085,000	$4,073,900	$-11,100	$+234,400

The FY 1982 decrease of $11.1 million reflects the adjustment in economic assumptions in the amended budget.

The estimated $230.7 million increase in pension costs from 1981 to 1982, primarily reflects the estimated 11.2% automatic cost-of-living increase authorized by PL 95-588. Only new accessions, and those current pensioners who elect to switch to the Improved program, will be eligible to receive this cost of living increase which will be identical to the Social Security increase provided on July 1, 1981.

Another provision of PL 95-588 provides for automatic annual increases in income limitations for those recipients who do not elect to receive benefits under the Improved program. This provision tends to eliminate caseload terminations or reductions in benefit payments resulting from Social Security increases. The decrease in both veterans and survivor cases is mollified by this provision.

Cost

($'s in thousands)

			1982		Change	
	1980	1981	January Budget	Revised	Rev +/- Jan Bud	Rev +/- 1981
Veterans:						
Improved Law	$ 923,059	$1,644,600	$2,159,200	$2,151,600	$- 7,600	$+507,000
Prior Law	1,264,391	853,500	621,100	621,100	...	-232,400
Old Law	39,629	31,500	26,200	26,200	...	- 5,300
Total	$2,227,079	$2,529,600	$2,806,500	$2,798,900	$- 7,600	$+269,300
Survivors:						
Improved Law	$ 344,974	$ 527,603	$ 682,700	$ 679,200	$- 3,500	$+151,597
Prior Law	983,986	772,400	585,700	585,700	...	-186,700
Old Law	40,128	34,600	31,100	31,100	...	- 3,500
Total	$1,369,088	$1,334,603	$1,299,500	$1,296,000	$- 3,500	$- 38,603
Total Cost	$3,596,167	$3,864,203	$4,106,000	$4,094,900	$-11,100	$+230,697

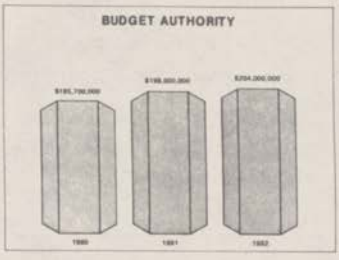
Caseload

	1980	1981	1982	Change
Veterans:				
Improved Law	206,142	341,000	423,000	+ 82,000
Prior Law	694,755	534,000	428,000	-106,000
Old Law	40,145	32,000	27,000	- 5,000
Total	941,042	907,000	878,000	- 29,000
Survivors:				
Improved Law	114,061	171,000	209,000	+ 38,000
Prior Law	958,938	835,000	733,000	-102,000
Old Law	59,146	52,000	47,000	- 5,000
Total	1,132,145	1,058,000	989,000	- 69,000
Total Cases	2,073,187	1,965,000	1,867,000	- 98,000

BURIAL BENEFITS AND MISCELLANEOUS ASSISTANCE

This appropriation provides for the payment of burial benefits, and other related benefits, to veterans and their dependents. The other related benefits cover the payment of benefits for such programs as: emergency officers of WW I retirement benefits, adjusted service and dependents pay, special allowance and dependents pay, invalid lifts and other devices, mortgage insurance for service disabled veterans, extra risk portion of the Veterans Group Life Insurance, and Soldiers' and Sailors' Civil relief insurance programs.

The Budget Authority request of $204.0 million for 1982, is $5.4 million more than the estimated 1981 level.



Costs and Budget Authority
($'s in thousands)

	1980	1981	1982	Change
Burial Benefits.....	$171,863	$186,124	$189,499	$+3,375
Miscellaneous.....	13,288	14,059	14,501	+ 442
Total Obligations.....	$185,152	$200,183	$204,000	$+3,817
Recoveries & other items net	+ 548	- 1,583		+1,583
Budget Authority.....	$185,700	$198,600	$204,000	$+5,400
Outlays.....	183,213	198,100	203,600	+5,500

Burial Cost
($'s in thousands)

	1980	1981	1982	Change
Burial Allowance	$101,078	$108,211	$109,910	$+ 1,699
Burial Plot.....	42,828	45,750	46,500	+ 750
Service-connected deaths...	9,330	9,975	9,975	...
Burial flags	4,895	6,300	7,040	+ 740
Headstones/Markers.....	11,935	14,052	14,220	+ 168
Headstone Allowance	1,797	1,836	1,854	+ 18
Total.....	$171,863	$186,124	$189,499	$+ 3,375

Burial Caseload

	1980	1981	1982	Change
Burial Allowance.....	324,033	340,000	345,000	+ 5,000
Burial Plot.....	293,245	305,000	310,000	+ 5,000
Service-connected deaths...	10,083	10,500	10,500	...
Burial Flags.....	272,743	315,000	320,000	+ 5,000
Headstones/Markers.....	203,966	234,200	235,000	+ 800
Headstone/Allowance.....	35,412	36,000	36,000	...

A continued projected increase in the death rate is affecting all areas of the burial benefits program.

Miscellaneous Costs
($'s in thousands)

	1980	1981	1982	Change
Retired Officers.....	$ 1,225	$ 1,138	$ 1,005	$ -133
Adjusted Service & Dep. Pay	18	20	20	...
Special Allowance Dep.....	958	800	750	- 50
Invalid Lifts & Devices....	7,887	8,175	8,325	+150
Mortgage Insurance.....	3,200	3,875	4,400	+525
VGLI.....	...	50	...	- 50
Soldiers & Sailors Civil Relief.....	...	1	1	...
Total.....	$13,288	$14,059	$14,501	$ +442

Miscellaneous Caseload

	1980	1981	1982	Change
Retired Officers.....	191	175	150	- 25
Adjusted Service & Dep. Pay	4	4	3	- 1
Special Allowance Dep.....	255	210	192	- 18
Invalid Lifts & Devices....	50,667	51,000	52,000	+1,000
Mortgage Insurance.....	5,913	6,050	6,150	+ 100
VGLI.....	465	2	...	- 2

The estimated increases in the amount of government contributions for Mortgage Protection Life Insurance, are the primary reason for the $442,000 increase over FY 1981.

READJUSTMENT BENEFITS

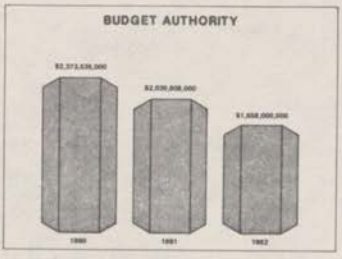
This appropriation provides for the payment of readjustment and rehabilitation benefits, and the funding of an education loan program.

Veterans and servicepersons whose service was, at least in part, between February 1, 1955 and December 31, 1976 (post-Korean conflict and Vietnam-era veterans), are eligible for benefits under (38 U.S.C. chapter 34).

Also financed under this appropriation are allowances for eligible dependents of: (a) those veterans who died from service-connected causes or have a total and permanent rated service-connected disability; and (b) servicepersons who are prisoners of war or missing in action (38 U.S.C. chapter 35).

The post-Vietnam era program, (38 USC chapter 32) is funded under this appropriation and benefits those individuals who enlisted in the service after December 31, 1976. Servicepersons electing to participate in this program must make contributions to the post-Vietnam education account. These contributions will be matched on a two for one basis by the Readjustment Benefits appropriations, when the individual utilizes his education benefits.

Finally, certain service-disabled veterans are provided with vocational rehabilitation; specially adapted housing grants, and automobile grants with the associated approved adaptive equipment.



Legislation will be proposed to:

- Eliminate flight and correspondence training effective July 1, 1981 at an estimated reduction of 6,000 trainees and a savings of $14.0 million in 1981. In 1982 there will be an estimated reduction of 45,600 trainees for a savings of $32.2 million.

The FY 1982 budget authority request of $1.7 billion is $164.3 million less than the revised FY 1981 appropriation request. This reduction is primarily due to a decline in education and training caseload.

Costs and Budget Authority
($'s in thousands)

	1980	1981	1982	Change
Education and Training	$2,261,653	$1,965,735	$1,598,716	$-367,019
Special Assistance to disabled veterans	119,918	130,523	137,040	+ 6,517
Total costs	$2,381,571	$2,096,258	$1,735,756	$-360,502
Adjustment to cost	+ 1,125	- 40,996	- 77,756	- 36,760
Obligations	$2,382,696	$2,055,262	$1,658,000	$-397,262
Change in unobligated balance	- 9,161	- 15,454	...	+ 15,454
Budget Authority	$2,373,535	$2,039,808	$1,658,000	$-381,808
Outlays	$2,416,976	$2,070,650	$1,668,000	$-402,650

Education and training. The number of trainees are expected to decline by 202,000 in FY 1982 from the previous year. This decline is primarily due to the expiration of entitlement for those veterans who have been discharged from the service for more than ten years. Many veterans have used their full educational entitlement under the law or have completed their educational objective. Those persons who entered the service after December 31, 1976 and who are expected to train under the Post-Vietnam Era Educational Program are expected to increase in number from the FY 1981 level of 9,500 to 13,500 in FY 1982.

Education and Training Costs
($'s in thousands)

	1980	1981	1982	Change
Vietnam-era veterans	$1,996,783	$1,702,827	$1,345,740	$-357,087
Post-Vietnam era veterans	922	9,050	13,750	+ 4,700
Servicepersons	69,801	58,009	48,979	- 9,030
Sons and daughters	171,462	176,234	172,059	- 4,175
Spouses & surviving spouses	22,685	19,615	18,188	- 1,427
Total Costs	$2,261,653	$1,965,735	$1,598,716	$-367,019

Education and Training Caseload

	1980	1981	1982	Change
Vietnam-era veterans	1,017,249	768,900	576,600	-192,300
Post-Vietnam era veterans	1,947	9,500	13,500	- 4,000
Servicepersons	89,640	78,000	69,000	- 9,000
Sons and daughters	82,632	79,100	76,400	- 2,700
Spouses & surviving spouses	12,952	11,500	10,500	- 1,000
Vocational rehabilitation	28,666	28,000	27,000	- 1,000
Total trainees	1,233.086	975,000	773,000	-202,000

Rehabilitative assistance to disabled veterans. Through the vocational rehabilitation program, a subsistence allowance and all costs associated with a vocational course are paid. Housing grants not to exceed $30,000, are made for specially adapted housing to seriously disabled veterans. PL 96-385 (10/7/80) extended eligibility for specially adapted housing grants to veterans with service-connected blindness, or the loss or loss of use of both upper extremities. Grants for these veterans can't exceed of $5,000 by law. Certain seriously disabled veterans are eligible for payments not to exceed $3,800 for the initial purchase of an automobile or other conveyance, plus equipment adapting it for the use of a disabled person. The program covers repairs, maintenance, replacement and installation.

Rehabilitative Cost
($'s in thousands)

	1980	1981	1982	Change
Vocational rehabilitation.....	$ 87,980	$ 101,609	$ 107,682	$+ 6,073
Housing grants.....	19,468	17,400	17,000	- 400
Autos and other conveyances.....	12,470	11,505	12,358	+ 853
Total costs.....	$ 119,918	$ 130,514	$ 137,040	$+ 6,526

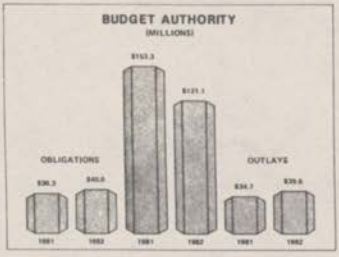
Rehabilitative Caseload

	1980	1981	1982	Change
Housing grants.....	620	880	850	- 30
Autos and other conveyances.....	1,218	700	700	...

POST-VIETNAM ERA VETERANS EDUCATION ACCOUNT

Public Law 94-502 established the Post-Vietnam Era Veterans Educational Program. Its purpose is to provide educational assistance to those persons who enter the Armed Forces after December 31, 1976. The law also established a Trust Fund to be titled the "Post-Vietnam Era Education Account" to serve as the financing mechanism for this program. All contributions made by or on behalf of the participants by either VA or the Defense Department will flow through this account.

With the enactment of PL 96-466, contributors may now make a lump sum payment to their account. This law also lowered the minimum monthly contribution from $50 to $25 and increased the maximum contribution from $75 to $100. These enhancements will result in higher average training costs and increase the number of contributors.



The budget authority for this account is a permanent and indefinite authorization consisting of all serviceperson's and government contributions. The authority to distribute these funds does not require annual action by the Congress.

Legislation will be proposed to extend the Post-Vietnam Era Veterans Educational Program an additional year until December 31, 1982.

Workloads and Outlays
($'s in thousands)

	1980	1981	1982	Change
Obligations ($000's):				
Disbursement Post-Vietnam veteran trainees	$ 1,355	$ 11,250	$18,300	$+ 7,050
Participants disenrollments	31,278	25,050	21,700	- 3,350
Total	$ 32,633	$ 36,300	$40,000	$+ 3,700
Workload:				
Participants	214,502	282,800	264,600	-18,200
Trainees	1,947	9,500	13,500	+ 4,000
Cash Income During the Year ($000's):				
Serviceperson Contributions	$110,380	$145,827	$108,900	$-36,927
VA's contribution	922	7,500	12,200	+ 4,700
Total income (Budget Authority)	$111,302	$153,327	$121,100	$-32,227
Outlays	$ 32,653	$ 34,700	$ 39,600	$+ 4,900

EDUCATION LOAN FUND

The Vietnam Era Veterans Readjustment Assistance Act of 1974 (PL 93-508) established the Veterans Administration Education Loan Fund. The act provides for the funding of this program by transfers from the Readjustment Benefits appropriation and from the collection of fees, principal and interest on loans made.

Workload, Amount Loaned and Repaid

	1980	1981	1982	Change
Number of loans made	7,846	7,195	6,320	- 875
Total amount of loans made (in thousands)	$ 6,697	$ 6,945	$ 6,350	$- 595
Average amount of loans made	$ 854	$ 965	$ 1,005	$+ 40
Number of loans outstanding	67,635	70,880	71,570	690
Average balance per loan outstanding	$ 916	$ 887	$ 875	$- 12
Repayment of loans (in thousands)	$ 972	$ 1,140	$ 1,400	$+ 260

The fund finances loans of up to $2,500 per academic period to eligible veterans training under 38 U.S.C. chapters 32 and 34, and to eligible dependents training under 38 U.S.C. chapter 35.

The slight decrease in the number of loans made, parallels the decline in the number of beneficiaries eligible for education training. It is anticipated that this fund will not require any additional transfers of funds for the next few years.

VOCATIONAL REHABILITATION REVOLVING FUND

A revolving fund for making loans to disabled veterans who are beginning or already taking courses of vocational rehabilitation and who do not have enough money to meet their expenses was set up under 38 U.S.C. 1507. With the recent enactment of PL 96-466, the maximum loan limit has been set to equal double the amount of the subsistence allowance for a veteran with no dependents in full-time institutional training. Under the current rates, the maximum limit will increase from $200 to $564.

This measure will increase participation in the loan program and greatly increase the average loan amount. A supplemental appropriation of $1,250,000 requested in FY 1981 is expected to fund the increases and to raise the fund balance to an appropriate operating level.

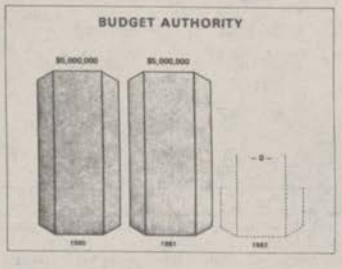
Workload, Amount Loaned and Repaid

	1980	1981	1982	Change
Number of loans made.....	6,046	6,360	6,820	+ 460
Total amounts of loan made (in thousands).....	$ 986	$2,653	$3,233	$+ 580
Average amount of loans made...	$ 163	$ 417	$ 474	$+ 57
Number of loans outstanding....	3,695	4,490	4,970	+ 480
Average outstanding loan bal...	$ 115	$ 309	$ 326	$+ 17
Repayment of loans (in thousands).....	$ 971	$1,677	$2,956	$+1,279

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GRANTS FOR ESTABLISHMENT, EXPANSION AND IMPROVEMENT OF STATE VETERANS CEMETERIES

This appropriation provides for grants to aid states in establishing, expanding, or improving State Veterans Cemeteries. No additional budget authority is being requested for FY 1982. It is anticipated that $4,501,000 of prior year funding carry-over will be sufficient to cover requirements in FY 1982.



Costs and Budget Authority
($'s in thousands)

	1980	1981	1982
Program Costs:			
Grants to states for establishment, expansion, or improvement of State Veterans Cemeteries	$ 499	$5,000	$4,501
Total costs/obligations	499	5,000	4,501
Financing:			
Budget Authority	5,000	5,000	...

HOUSING CREDIT ASSISTANCE PROGRAMS

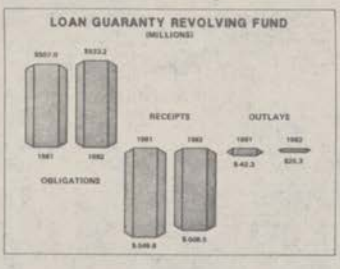
The VA provides housing credit assistance to eligible veterans, active duty servicepersons, and certain widows and widowers. The credit assistance program operates by substituting the guaranty of the Federal Government for the investment protection afforded by substantial down payments and shorter terms of loans under conventional mortgage terms. The lender making GI loans for the purchase of homes, or refinancing of existing mortgage loans or liens secured of record on a veteran's dwelling, is guaranteed against loss up to 60 percent of the loan with a maximum guaranty of $27,500. The program also provides for the guaranty of loans for the purchase of mobile homes.

The Loan Guaranty Program originated in Title III of the Servicemen's Readjustment Act of 1944. The Act was conceived as a comprehensive GI Bill of Rights for returning World War II veterans, to help reintegrate them into the civilian population. Subsequent public laws have extended coverage to virtually all veterans with service during and after World War II.

The VA is also responsible for administering a direct loan program. The Agency is authorized to grant direct loans to service-disabled veterans who are recipients of specially adaptive housing grants.

Funding for the payment of claims and property management operations relating to the guaranty of loans made with private capital, is provided through the VA Loan Guaranty revolving fund. The VA direct loan activity is financed from the VA Direct Loan revolving fund.

1982 budget estimates for the revolving funds referred to above are summarized in the succeeding paragraphs:



Loan Guaranty Activity

	1980	1981	1982	Change
Guaranteed and insured loans closed....	297,447	315,000	315,000	...
Number of claims processed.....	11,048	12,450	12,250	- 200
Number of property acquisitions processed.....	9,911	11,400	11,300	- 100

Obligations for claims paid and real property acquisitions are projected to increase by $12.7 million. This increase is attributed to the high volume of loans made over the last serveral years. Loan sales are projected to decrease by $42.0 million, while other receipts, principally property sales, are expected to increase slightly. The net effect of these changes accounts for the projected $67.4 million decrease in outlays.

Obligations, Receipts and Budget Authority

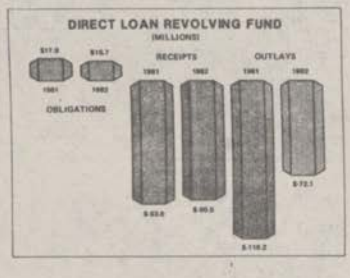
($'s in thousands)

	1980	1981	1982	Change
Obligations				
Claims paid and real property acquisitions..	$ 307,621	$ 368,470	$ 381,125	$+ 12,655
All Other	137,013	138,518	152,079	+ 13,561
Total obligations.....	444,634	506,988	533,204	+ 26,216
Receipts				
Sale of loans.....	-172,713	-290,000	-248,000	+ 42,000
All Other	-252,389	-259,759	-260,521	- 762
Total receipts.....	-425,102	-549,759	-508,521	+ 41,238
Change in unobligated balances.....	- 19,532	+ 42,771	- 24,683	- 67,454
Budget Authority	...	...	...	...

Outlays

($'s in thousands)

Total obligations.....	$ 444,634	$ 506,988	$ 533,204	$+ 26,216
Total receipts	-425,102	-549,759	-508,521	+ 41,238
Change in obligated balance	+ 8,025	+ 425	+ 575	+ 150
Outlays	$ 27,557	$- 42,346	$ 25,258	$+ 67,604



Direct Loan Activity

	1980	1981	1982	Change
Direct loans approved	985	30	30	...
Direct loan closed	1,160	125	30	- 95

Direct Loans for veterans will decline by $2.6 million in 1982 as the result of loans being granted and disbursed only to recipients of specially adaptive housing grants. The $46.2 million change in receivables in excess of obligations is due to the return to VA of investment income in 1981 which accrued at the Government National Mortgage Association. The net effect of these changes accounts for the projected $47.1 million decrease in outlays.

Obligations, Receipts and Budget Authority
($'s in thousands)

	1980	1981	1982	Change
Obligations				
Direct loans to veterans	30 850	3,608	966	-2,642
All Other	13,780	14,331	14,712	+ 381
Total obligations	44,630	17,939	15,678	-2,261
Receipts				
Sale of loans	...	...	...	...
Loans Repaid	-52,582	-52,390	-52,180	+ 210
All Other	-46,191	-41,204	-38,276	+2,928
Total receipts	-98,773	-93,594	-90,456	+3,138
Change in unobligated balances	54,143	75,655	74,778	- 877
Budget authority	...	...	...	...

Outlays
($'s in thousands)

	1980	1981	1982	Change
Total obligations.....	$ 44,630	$ 17,939	$ 15,678	$- 2,261
Total receipts	-98,773	- 93,594	-90,456	+ 3,138
Change in receivables in excess of obligations	-13,011	- 43,585	+ 2,645	+46,230
Outlays	$-67,154	$-119,240	$-72,133	+47,107

INSURANCE PROGRAMS

Summary

Life insurance protection for the Nation's servicepersons and veterans is provided under nine separate programs. Five of these programs are totally administered by the Veterans Administration and the remaining three supervised through contractual relationships with private companies. The Servicemen's Group Life Insurance and Veterans' Group Life Insurance programs are administered by the Prudential Insurance Company of America, Newark, New Jersey and the Veterans' Mortgage Life Insurance program by the Bankers Life Insurance Company of Lincoln, Nebraska.

The nine VA insurance programs are financed in a variety of ways. Two of the funds mentioned above (VGLI & VMLI) are funded through the Burial Benefits and Miscellaneous Assistance Appropriation. These two are not included in the summary charts shown below. Veterans insurance and indemnities is a direct appropriation which supports the costs of insuring disabled veterans. Of the remaining six, three are public enterprise funds and three are trust funds.

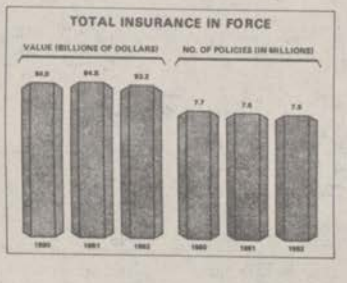
The loan activity for 1981 and 1982 has been revised. The outlays are expected to decline as a result of changes in the interest rate charged for policy loans.

These seven accounts listed below are covered in the following pages:

Appropriation:
- Veterans Insurance and Indemnities (VI&I)

Public Enterprise funds:
- Service-Disabled Veterans Insurance (SDVI)
- Veterans Reopened Insurance (VRI)
- Servicemen's Group Life Insurance (SGLI)

Trust funds:
- National Service Life Insurance (NSLI)
- United States Government Life Insurance (USGLI)
- Veterans Special Life Insurance (VSLI)



The interest rate on policy loans for Service-Disabled Veterans Insurance Fund, Veterans Reopened Insurance Fund, National Service Life Insurance Fund, and Veterans Special Life Insurance Fund will be raised to 2% below the current market conditions.

VETERANS INSURANCE AND INDEMINITIES (VI&I)

This appropriation provides for:

- Payments to the USGLI and NSLI trust funds on claims for death and total disability traceable to the extra hazards of service, and waiver of premiums while in service.
- Payments are made to policyholders of war-risk insurance issued to veterans of World War I, who are permanently and totally disabled. Payments are also made on non-participating policies issued to World War II veterans with service-connected disabilities.
- Payments to the Service-disabled veterans insurance fund to supplement the premium and other receipts of the fund in amounts necessary to pay claims on policies issued to veterans with service-connected disabilities.

Costs and Revenue
($'s in thousands)

	1980	1981	1982	Change
No. of policies in force, EOY.....	3,898	3,750	3,600	- 150
Amount of insurance in force, EOY..	$21,234	$20,350	$19,512	$- 838
Program:				
Total costs (obligations).....	$ 4,530	$10,365	$ 9,125	$-1,240
Receipts and reimbursements	- 700	- 664	- 625	+ 39
Change in unobligated balances ...	-2,031	-3,601	...	+3,601
Budget authority	$ 5,400	$ 6,100*	$ 8,500	$+2,400
Outlays	$ 3,919	$ 9,700	$ 8,500	$-1,200

* Includes $4,740 supplemental required to fund Service Disabled Veterans Insurance.

SERVICE DISABLED VETERANS INSURANCE (SDVI)

The SDVI revolving fund is the only insurance program remaining open to new issues. It was designed as an insurance program for veterans discharged with a disability of 10% or greater, and provides this coverage at standard rates. These individuals might not otherwise be insurable at standard rates due to their disabilities.

Since the fund insures the disabled at standard premium rates, it is not self-sustaining. Periodic transfer from the Veterans Insurance and Indemnities appropriation are required to meet current expenditures.

Costs and Revenue
($'s in thousands)

			1982		Change	
	1980	Revised 1981*	January 1982	Revised	Rev +/- Jan Bud	Rev +/- 1981
No. of policies in force, EOY	189,150	192,600	195,600	195,600	...	+ 3,000
Amount of insurance in force, EOY..	$1,711,415	$1,742,500	$1,770,500	$1,770,500	...	$+28,000
Program:						
Death claims	$ 18,669	$ 19,340	$ 21,035	$ 21,035	$ ...	$+ 1,695
Other obligations	10,814	8,800	11,557	8,657	-2,900	- 143
Total costs (obligations).....	$ 29,483	$ 28,140	$ 32,592	$ 29,692	$-2,900	$+ 1,552
Receipts:						
Premiums earned.....	$- 19,767	$- 20,800	$- 21,600	$ - 21,600	$ ...	$- 800
Payment from "Vets. Insurance & Indemnities".....	- 1,000	- 6,770	- 5,200	- 5,200	...	+ 1,570
Receipts and other revenue.....	- 5,448	- 5,473	- 5,772	- 5,772	...	- 299
Total revenue & other receipts.	$- 26,215	$- 33,043	$- 32,572	$ - 32,572	$ ...	$+ 471
Outlays	$ 2,789	$- 5,000	$- 100	$ - 3,000	$-2,900	$+ 2,000
Unobligated balance, EOY.....	$ 317	$ 5,300	$ 2,980	$ 5,880	$+2,900	$+ 580

VETERANS REOPENED INSURANCE (VRI)

The Veterans Reopened Insurance Revolving Fund was established in 1965. It offered veterans who served during October 8, 1940 and January 1, 1957, the opportunity for a one year period, to obtain permanent life insurance coverge. This coverage was estended only to individuals with service-connected or non-service-connected disabilities and were not on active duty at the date of issue of the policy.

Costs and Revenue

($'s in thousands)

	1980	Revised 1981*	1982 January Budget	1982 Revised	Change Rev +/- Jan Bud	Change Rev +/- 1981
No. of policies in force, EOY	167,326	163,600	159,600	159,600	...	- 4,000
Amount of insurance in force, EOY.	$1,157,421	$1,138,888	$1,114,094	$1,114,094	...	$-24,794
Program:						
Death claims.....	$ 15,102	$ 15,500	$ 15,800	$ 15,800	$ ...	$+ 300
Dividends.....	13,706	15,750	15,000	15,000	...	- 750
Other obligations.....	21,736	20,011	25,000	21,200	-3,800	+ 1,189
Total costs (obligations)	$ 50,544	$ 51,261	$ 55,800	$ 52,000	$-3,800	$+ 739
Receipts:						
Premiums earned.....	$- 22,315	$- 22,100	$- 21,500	$- 21,500	...	$+ 600
Receipts and other revenue.....	- 43,032	- 43,778	- 45,499	- 45,499	...	- 1,721
Total revenue and other receipts	$- 65,347	$- 65,878	$- 66,999	$- 66,999	...	+ 1,121
Outlays	$ 17,227	$- 21,300	$- 17,000	$- 20,800	$-3,800	$+ 500
Unobligated balance, EOY	$ 459,276	$ 473,894	$ 481,393	$ 485,193	$+3,800	$+11,299

SERVICEMEN'S GROUP LIFE INSURANCE (SGLI)

This fund provides insurance coverage to a maximum of $20,000 for military personnel, reservists, members of the National Guard, Service Academy cadets and midshipmen, and certain ROTC students. This program is supervised by the VA, but is administered by the Prudential Insurance Company of America as primary insurer. The fund provides for the payment of group life insurance premiums to private insurance companies under the Servicemen's Group Life Insurance Act, and any expenses incurred by the VA in administration of the Act.

Costs and Revenue

($'s in thousands)

	1980	1981	1982	Change
No. of Policies in force, EOY	3,144,300	3,100,000	3,100,000	...
Amount of insurance in force, EOY.	$62,691,234	$62,700,000	$62,700,000	$ ...
Program:				
Premium payments to insurer.....	$ 99,177	$ 103,150	$ 103,150	...
Administrative expenses paid to G.O.E. account.....	550	450	450	...
Total costs (obligations).....	$ 99,727	$ 103,600	$ 103,600	...
Receipts:				
Withholdings from service pay...	$ 99,846	$ 103,482	$ 103,600	$+ 118

NATIONAL SERVICE LIFE INSURANCE (NSLI)

The NSLI trust fund was established in 1940 to serve the insurance needs of World War II service personnel. Issuance of new policies ended in 1951. It is sustained through premium collections and interest on investments. This is the largest government administered insurance program.

Costs and Revenue

($'s in thousands)

			1982		Change	
	1980	Revised 1981*	January Budget	Revised	Rev +/- Jan Bud	Rev +/- 1981
No. of policies in force, EOY	3,575,341	3,491,500	3,406,800	3,406,800	...	$+15,146
Amount of insurance in force, EOY.	$23,231,484	$24,229,900	$23,834,700	$23,834,700	...	$-395,200
Program:						
Death Claims.....	$ 440,036	$ 455,090	$ 470,236	$ 470,736	$ ...	$+15,236
Dividends	493,524	539,000	559,000	559,000	...	+20,000
Other obligations.....	356,760	326,210	406,721	323,221	-83,500	- 2,989
Total costs (obligations)	$1,290,320	$1,320,300	$1,435,957	$1,352,457	-83,500	$+32,157
Revenue:						
Premiums earned.....	$- 457,005	$- 468,426	$- 472,561	$- 472,561	...	- 4,135
Interest on investments	- 585,095	- 664,324	- 687,439	- 687,439	...	-23,115
Payment from "Vets. Insurance & Indemnities"	- 2,066	- 1,950	- 1,900	- 1,900	...	+ 50
Offsetting collections	- 339,529	- 356,320	- 364,145	- 364,145	...	- 7,825
Total revenue	$1,383,695	$1,491,020	$1,526,045	$1,526,045	...	$ 35,025
Outlays	$ 928,228	$ 956,400	$1,062,500	$ 979,000	$-83,500	$ 22,600
Unobligated balance, EOY	$7,652,656	$7,823,376	$7,834,104	$7,917,604	$83,500	$ 94,228

UNITED STATES GOVERNMENT LIFE INSURANCE (USGLI)

The USGLI trust fund was established in 1919 to receive premiums, and pay claims of insurance converted from the War Risk Term Insurance of WWI.

Costs and Revenue

($'s in thousands)

	1980	1981	1982	Change
No. of policies in force, EOY	99,446	92,000	84,600	$- 7,400
Amount of insurance in force, EOY.	$404,926	$372,784	$340,853	$-31,931
Program:				
Death claims	$ 43,793	$ 42,500	$ 41,000	$- 1,500
Dividends	28,936	26,200	24,000	- 2,200
Other obligations	13,357	13,400	12,800	- 600
Total costs (obligations)	87,086	82,100	77,800	- 4,300
Revenue:				
Premiums earned.....	5,202	3,362	3,067	- 295
Interest on investments	32,740	30,613	28,509	- 2,104
Payment from "Vets. Insurance & Indemnities"	26	25	24	- 1
Offsetting collections	11,447	15,135	15,150	+ 15
Total revenue	$ 49,415	$ 49,135	$ 46,750	$- 2,385
Outlays	$ 76,683	$ 66,700	$ 62,500	$- 4,200
Unobligated balance, EOY	$400,562	$367,597	$336,547	$-31,050

VETERANS SPECIAL LIFE INSURANCE (VSLI)

The VSLI trust fund was made available for the payment of claims for the insurance program authorized for insurable veterans who served in the Armed Forces after April 1951 and up to January 1, 1957. The program is closed to new issues.

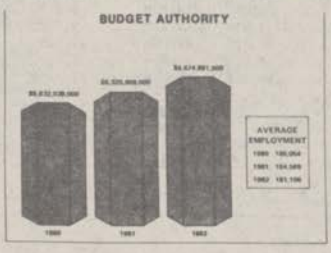
Costs and Revenue
($'s in thousands)

			1982		Change	
	1980	Revised 1981*	January Budget	Revised	Rev +/- Jan Bud	Rev +/- 1981
No. of policies in force, EOY	532,989	519,500	501,800	501,800	...	- 17,700
Amount of insurance in force, EOY.	$4,604,705	$4,574,900	$4,430,700	$4,430,700	$ ...	$-144,200
Program:						
Death claims.....	$ 19,884	$ 20,100	$ 21,000	$ 21,000	$ ...	$+ 900
Dividends	31,382	32,000	35,600	35,600	...	+ 3,600
Other obligations.....	28,195	23,000	30,100	24,300	-5,800	+ 1,300
Total costs (obligations)	$ 79,461	$ 75,100	$ 86,700	$ 80,900	$-5,800	$+ 5,800
Revenue:						
Premiums earned.....	$-64,016	$-66,000	$-69,000	$- 69,000	...	$- 3,000
Interest and other receipts.....	-55,219	-58,031	-63,345	- 63,345	...	- 5,314
Total revenue	$-119,235	$-124,031	$-132,345	$- 132,345	$ ...	$- 8,314
Outlays	$- 44,317	$- 50,700	$- 45,700	$- 51,500	$-5,800	$- 800
Unobligated balance, EOY	$ 642,385	$ 691,316	$ 731,261	$ 737,061	$+5,800	$+ 45,745

MEDICAL CARE

The Medical Care appropriation provides for medical care and treatment of eligible beneficiaries in Veterans Administration hospital, nursing home care, domiciliary and outpatient clinic facilities; contract hospitals; State home facilities--on a grant basis; contract community nursing homes; and through the hometown outpatient program on a fee basis. Hospital and outpatient care is also provided for certain dependents and survivors of veterans under the Civilian Health and Medical Program of the Veterans Administration (CHAMPVA). Funds also provide for training of medical residents and other personnel in health-science fields to support the Agency's and the Nation's manpower demands.

The budget authority requested for 1982 increases $348,933,000 over 1981.



Costs and Budget Authority
($'s in thousands)

			1982		Change	
	1980	Revised 1981	January Budget	Revised	Rev(+)or(-) Jan. Bud.	Rev(+)or(-) 1981
Program:						
VA facilities:						
Hospital care	$3,838,951	$4,045,067	$4,487,596	$4,333,234	$-154,362	$+288,167
Nursing home care	218,906	244,561	282,833	278,692	- 4,141	+ 34,131
Domiciliary care	84,923	86,466	93,749	92,098	- 1,651	+ 5,632
Outpatient services	1,139,345	1,233,886	1,363,730	1,220,780	-142,950	- 13,106
Misc. benefits and services	121,978	132,300	140,068	137,901	- 2,167	+ 5,601
Education and training	301,888	318,983	347,005	340,975	- 6,030	+ 21,992
Subtotal, VA	5,705,989	6,061,263	6,714,981	6,403,680	-311,301	+342,417
Non-VA facilities:						
Contract hospitals	73,841	77,255	77,809	77,809	...	+ 554
Community nursing	118,089	138,284	162,490	143,737	- 18,753	+ 5,453
State domiciliaries	11,673	13,002	13,738	13,738	...	+ 736
State nursing	21,732	28,408	29,172	29,172	...	+ 764
State hospitalization	4,146	5,449	5,469	5,469	...	+ 20
CHAMPVA	36,308	47,297	51,478	51,478	...	+ 4,181
(Hospitalization)	(26,074)	(37,485)	(41,498)	(41,498)	...	+ (4,013)
(Outpatient services)	(10,234)	(9,812)	(9,980)	(9,980)	...	+ (168)
Subtotal, Non-VA	265,789	309,695	340,156	321,403	- 18,753	+ 11,708
Total program costs	5,971,778	6,370,958	7,055,137	6,725,083	-330,054	+354,125
Adj. to obligations	-114,328	...	...	...	...	...
Total obligations	5,857,450	6,370,958	7,055,137	6,725,083	-330,054	+354,125
Financing:						
Reimbursements (-)	-43,498	-45,000	-50,192	- 50,192	...	- 5,192
Unobligated balance lapsing	18,087	...	...	...	...	...
Budget authority	5,832,039	6,325,958	7,004,945	6,674,891	-330,054	+348,933
Supplemental included	...	(305,945)	...	...	...	...

Average Employment

Average employment, by program is as follows:

	1980	Revised 1981	1982 January Budget	1982 Revised	Change Rev(+)or(-) Jan. Bud.	Change Rev(+)or(-) 1981
Hospitals:						
Medical bed sections	73,620	73,772	73,682	72,099	-1,583	-1,673
Surgical bed sections	36,116	35,152	35,667	35,300	-367	+148
Psychiatric bed sections	33,916	34,288	34,415	33,881	-534	-407
Hospitals, subtotal	143,651	143,212	143,764	141,280	-2,484	-1,932
Nursing care units	8,666	8,750	9,551	9,516	- 35	+766
Domiciliaries	2,814	2,720	2,720	2,720	...	...
Outpatient services	29,026	28,988	29,333	26,671	-2,662	-2,317
Misc. benefits and services	1,034	1,034	1,034	1,034	...	...
Education and training1/	(8,691)	(9,056)	(9,091)	(8,964)	(-127)	(-92)
Support for non-VA facility workloads	508	508	508	508	...	...
Subtotal	185,698	185,212	186,910	181,729	-5,181	-3,483
Adjustment for common services	-644	-623	-623	-623	...	...
Total	185,054	184,589	186,287	181,106	-5,181	-3,483

1/Allocated to other assigned activities.

The fiscal year 1982 revised request is $330,054,000 and 5,181 average employment below the January Budget level, consisting of the following reductions:

Detail	Budget Authority ($'s in thousands)	Average Employment
Reduction in non-service-connected outpatient visits and discontinuance of Readjustment Counseling program	$106,375	2,326
Provide for increased WWI outpatient medical visits within available resources	21,400	...
Reduction in Community Nursing Home Census	18,753	...
Combine hospital wards with low census and occupancy rates	27,000	1,116
Increase in employee productivity	25,389	1,104
Revised schedules for facility activation	18,548	203
Revised cost index-9.8 to 9.1%	42,800	...
Eliminate planned rate increases for consultants and attendings	10,000	...
Reduction in equipment increase	41,273	...
All other - travel reduction, specialized medical activities, education and training	18,516	432
Total	330,054	5,181

The fiscal year 1982 medical care budget request is $348,933,000 over and 3,483 in average employment under 1981. While net employment decreases 3,483, a reallocation of existing employment in 1982 provides for the following:

+766 employment for VA Nursing Homes,
+ 24 employment for expanded outpatient clinics,
+297 employment for other new facility activations, and
+372 employment for additional specialized medical programs, as detailed below:

The 1982 increase in funding will provide for:

- Workload increases in new facilities and other programs, including 4 new VA nursing home care units and expansion of eight existing outpatient clinics, partially offset by reductions in outpatient medical staff and dental fee, CHAMPVA, contract hospital and community nursing workloads as well as a reduction in existing hospital resources and employment through increased employee productivity. This is a net decrease of $151,880,000.

- The following Specialized Medical Programs:

Program	Units	FTEE	COST
		($ in thousands)	
a. Computerized Tomographic Scanners	5	...	$ 625
b. Pacemaker Surveillance System	1	10	404
c. Unit Dose Expansion	15,784 beds	317	6,266
d. Automated Pharmacy System	...	...	300
e. Agent Orange Clinical Expansion	...	45	4,379
	...	372	11,974

- A net decrease of 85 health service trainees comprised of an increase in physician house staff (75) and decreases in specialized physician fellowships (8), associated health trainees (102) and VA administrative trainees (50). This is a net decrease of $1,094,000.

- Payroll increases for medical staff to meet the net requirements of within grades, annualization of 1981 wage board and other pay increases, stipend increases, Social Security tax increases, increases for payments made by the Office of Workers Compensation and annualization of P.L. 96-330 requirements for special pay for physicians and dentists. These requirements total $125,607,000.

- Increase in costs of supplies, materials, drugs, medicines, utilities and other services and private sector treatment rate increases. These requirements total $181,568,000.

- A capital investment net program level of $372,298,000 - consisting of $160,966,000 for equipment replacement, $138,822,000 for equipment additions, $3,010,000 for minor alteration and improvement projects and $69,500,000 for maintenance and repair. This is an increase of $182,758,000 from the 1981 level.

The 1982 budget provides for the medical care and treatment of 1,348,774 inpatients treated, with an average daily census of 102,500 and for outpatient medical visits totaling 16,728,000.

Workloads and Workload Indicators

Workloads and indicators of the medical care and treatment programs for the actual, current and budget years are set forth in the following tables:

Inpatient Beneficiaries Treated

An inpatient beneficiary treatment level of 1,348,774 is estimated for 1982--an increase of 1,057 in VA facility program and a decrease of 5,999 in non-VA programs.

			1982		Change	
	1980	Revised 1981	January Budget	Revised	Rev(+)or(-) Jan. Bud.	Rev(+)or(-) 1981
VA facilities:						
Hospitals:						
Medical bed sections	730,283	724,230	724,145	724,145	...	-85
Surgical bed sections	329,428	326,832	326,938	326,938	...	+106
Psychiatric bed sections	187,805	186,938	186,987	186,987	...	+49
Hospitals, subtotal	1,247,516	1,238,000	1,238,070	1,238,070	...	+70
Nursing care units	12,750	13,250	14,284	14,237	-47	+987
Domiciliaries	15,180	14,700	14,700	14,700	...	...
Subtotal, VA	1,275,446	1,265,950	1,267,054	1,267,007	-47	+1,057
Non-VA facilities:						
Contract hospitals	29,456	30,000	26,733	26,733	...	-3,267
Community nursing	28,536	30,803	31,058	27,477	-3,581	-3,326
State domiciliaries	9,786	10,150	10,749	10,749	...	+599
State nursing	10,053	11,283	11,638	11,638	...	+355
State hospitals	5,994	5,530	5,170	5,170	...	-360
Subtotal, Non-VA	83,825	87,766	85,348	81,767	-3,581	-5,999
Total	1,359,271	1,353,716	1,352,402	1,348,774	-3,628	-4,942

Average Daily Inpatient Census

An average daily inpatient census of 102,500 is estimated--a decrease of 1,277 from fiscal year 1981 and 2,585 from 1980.

VA facilities:						
Hospitals:						
Medical bed sections	33,712	32,616	31,767	31,767	...	-849
Surgical bed sections	13,379	12,308	12,168	12,168	...	-140
Psychiatric bed sections	21,018	20,361	20,044	20,044	...	-317
Hospitals, subtotal	68,109	65,285	63,979	63,979	...	-1,306
Nursing care units	7,933	8,237	8,919	8,888	-31	+651
Domiciliaries	7,894	7,520	7,520	7,520	...	...
Subtotal, VA	83,936	81,042	80,418	80,387	-31	-655
Non-VA facilities:						
Contract hospitals	1,213	1,160	1,061	1,061	...	-99
Community nursing	8,529	9,195	9,295	8,202	-1,093	-993
State domiciliaries	4,892	5,180	5,484	5,484	...	+304
State nursing	5,586	6,200	6,366	6,366	...	+166
State hospitals	929	1,000	1,000	1,000	...	...
Subtotal, Non-VA	21,149	22,735	23,206	22,113	-1,093	-622
Total	105,085	103,777	103,624	102,500	-1,124	-1,277

Medical Outpatient Visits

A total of 16,728,000 outpatient medical visits are estimated--a decrease of 1,583,000 from fiscal year 1981 and 1,243,407 from 1980.

			1982		Change	
	1980	Revised 1981	January Budget	Revised	Rev(+)or(-) Jan. Bud.	Rev.(+)or(-) 1981
Staff	15,751,690	16,012,000	16,129,000	14,429,000	-1,700,000	-1,583,000
Fee	2,219,717	2,299,000	2,299,000	2,299,000	...	...
Total	17,971,407	18,311,000	18,428,000	16,728,000	-1,700,000	-1,583,000

Inpatient Workload Indicators, VA Hospitals

Increases in the number of admissions to and discharges from VA hospitals are anticipated, while continued improvement in the hospital inpatient turnover rate and length of patient stay are also estimated.

Admissions	1,182,603	1,172,715	1,174,091	1,174,091	...	+1,376
Discharges	1,165,027	1,172,715	1,174,091	1,174,091	...	+1,376
Turnover rates	148.2	149.7	152.9	152.9	...	+3.2
Length of stay-days	22.6	22.4	22.2	22.2	...	-.2

Staffing Ratios, VA Hospitals

Staffing ratios per 100 patients for VA hospitals are anticipated to increase in 1982 by 2 over the fiscal year 1981 level and by 10 over 1980

Medical bed sections	218	226	232	227	-5	+1
Surgical bed sections	270	286	293	290	-3	+4
Medical and surgical ... composite	233	242	249	244	-5	+2
Psychiatric bed sections	161	168	172	169	-3	+1
Composite, VA Hospitals.	211	219	225	221	-4	+2

Civilian Health and Medical Program of the Veterans Administration (CHAMPVA)

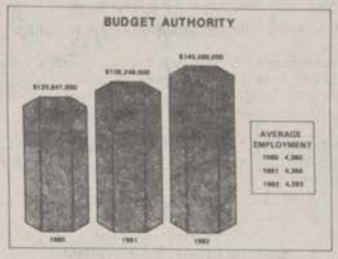
CHAMPVA dependent workloads of 426 average daily inpatient hospital census are estimated to remain the same as 1981 and decrease 6 from 1980. Outpatient visits of 136,221 represent a decrease of 4,974 below 1981 and a decrease of 21,853 below 1980.

Hospital Average Census	432	426	426	426	...	...
Outpatient fee visits	158,074	141,195	136,221	136,221	...	-4,974

MEDICAL AND PROSTHETIC RESEARCH

This appropriation provides funds for the conduct of the Veterans Administration's medical research program and for a rehabilitative research program focusing on rehabilitative engineering problems in the field of prosthetics, orthotics, adaptive equipment for vehicles, sensory aids and related areas. It also provides support for Health Services Research projects at Veterans Administration medical centers for improving the effectiveness and economy of delivery of health services and improving the accessibility of services to veterans. It is a two-year appropriation in which funds unobligated at the end of the first fiscal year are available for obligation in the ensuing fiscal year.

The budget authority requested for 1982 increases $7,451,000 over 1981.



Costs, Budget Authority and Employment
($'s in thousands)

	1980	Revised 1981	1982 January Budget	1982 Revised	Change Rev(+)or(-) Jan. Bud.	Change Rev(+)or(-) 1981
Program:						
Medical research	$127,030	$133,490	$147,723	139,735	-7,988	+6,245
Rehabilitative research	7,554	8,713	10,185	9,421	- 764	+ 708
Health Services research	3,081	3,245	4,673	3,743	- 930	+ 498
Total costs	137,665	145,448	162,581	152,899	-9,682	+7,451
Adj. to obligations	-4,308	...	...	...	...	...
Total obligations	133,357	145,448	162,581	152,899	-9,682	+7,451
Financing:						
Reimbursements	- 6,798	- 7,200	- 7,200	- 7,200	...	...
Unobligated balance available:						
Start of year	- 1,655	- 768	- 768	- 768	...	...
End of year	768	768	768	768	...	...
Unobligated balance lapsing	175	...	...	...	...	
Budget Authority	125,847	138,248	155,381	145,699	-9,682	+7,451
Supplemental Included		(6,095)				
Average Employment:						
Medical research	4,164	4,150	4,294	4,070	- 224	- 80
Rehabilitative research	91	109	155	109	- 46	...
Health Services research	105	110	152	114	- 38	+ 4
Total	4,360	4,369	4,601	4,293	- 308	- 76

The fiscal year 1982 revised request is $9,682,000 and 308 average employment below the January Budget level, consisting of the following reductions:

Detail	Budget Authority ($'s in thousands)	Average Employment
Reduction in the increase for new initiatives	$5,815	254
Decrease in planned expansion of research in Geriatrics Research Education and Clinical Centers	1,666	16
Reduce the planned increases for Preventive Health and Rehabilitation programs	900	38
All other - Travel and revised cost index	1,301	...
Total	9,682	308

The fiscal year 1982 revised budget request of $145,699,000 and 4,293 FTEE for Medical and Prosthetic Research, an increase of $7,451,000, and decrease of 76 average employment below 1981, will provide continued responsiveness to the prevalent problems of VA patients through support of the following:

- New starts in legislatively mandated programs and High Priority Programs, including programs in Agent Orange, Preventive Health, Alcoholism and Schizophrenia on a first priority basis.
- New starts in Medical Research (Investigator-initiated, Special Emphasis and Career Development), Rehabilitative Engineering Research and Development (RER&D) and Health Service Research upon completion of on going programs.
- Continued operation of the RER&D centers and programs.
- An average employment level which will support the ongoing programs.
- Meeting the requirements related to increased costs of ongoing programs.

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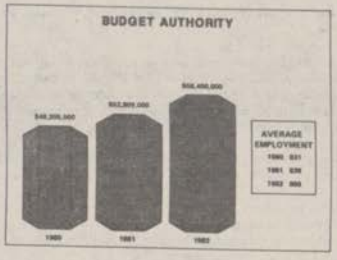
The fiscal year 1982 funding and average employment increases will provide for:

- Inflationary increases to maintain medical research activities at all VA medical centers with approved, productive programs.
- Expansion of the Cooperative Studies and Career Development Programs.
- Expansion in high priority programs such as schizophrenia, alcoholism, aging, amputee and spinal cord injury, delayed stress disorders and Herbicide Orange.
- An increase in rehabilitative research activity with special emphasis on conducting approved research projects in medical centers having spinal cord injury, prosthetics treatment and blind rehabilitation programs.
- Increased emphasis on the Engineering School Affiliation Program, which allows an increasing number of faculty and graduate student projects to improve the quality of rehabilitative engineering research and development support to the VA medical centers.
- Increases in selected health services research special emphasis programs such as the pilot program of preventive health care and research on the delivery of rehabilitive health care services.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

This appropriation provides funds for: (1) Central Office executive direction, administration and supervision of all Veterans Administration medical programs -- including development and implementation of policies, plans and program objectives, and followup action to insure accomplishment of goals; (2) Postgraduate and Inservice Training activities in support of continuing education for employees of various medical programs -- including costs of tuition, travel, lecturer's fees and training materials and equipment; and (3) Exchange of Medical Information between the VA and other elements of the Nation's medical-scientific community; and (4) continued development of an automated Health Care Information System.

The budget authority requested for 1982 increases $5,591,000 over 1981.



Costs, Budget Authority and Employment
($'s in thousands)

			1982		Change	
	1980	Revised 1981	January Budget	Revised	Rev(+)or(-) Jan. Bud.	Rev.(+) or (-) 1981
Program:						
Medical administration	$35,062	$41,335	$50,698	$46,923	$-3,775	$+5,588
Postgraduate and inservice training	10,505	9,924	12,324	10,702	-1,622	+778
Exchange of medical information	2,753	1,550	1,550	775	- 775	-775
Total costs	48,320	52,809	64,572	58,400	-6,172	+5,591
Adjustment to obligations	-1,273	...	...	...	...	...
Total obligations	47,047	52,809	64,572	58,400	-6,172	+5,591
Financing:						
Reimbursements	- 90	...	...	...	...	
Unobligated balance lapsing	1,248	...	...	...	...	
Budget authority	48,205	52,809	64,572	58,400	-6,172	+5,591
Supplemental included		(1,591)				
Average employment	831	839	928	866	-62	+27

The fiscal year 1982 revised request is $6,172,000 and 62 average employment below the January Budget level, consisting of the following reductions:

Detail	Budget Authority ($'s in thousands)	Average Employement
Reduction in health care information system and other ADP support increase	$1,787	28
Reduction in planned staff augmentation	1,741	34
Reduction in Exchange of Medical Information activities	775	...
All other - travel, revised cost index and consulting services	1,869	...
Total	6,172	62

The fiscal year 1982 revised budget request's is $5,591,000 and 27 average employment over 1981 and provides for:

- Continuation of the acquisition process for a total Health Care Information System which will provide relief from the large volume of data which is currently processed manually. The system will support direct patient care efforts and further provide for a significant upgrade of administrative and medical support operations. The increased requirements for this purpose are $1,678,000 and 3 average employment.

- Transfer of certain functions currently assigned to The VA Washington Medical Center to VA Central Office. The net increase total is $565,000 and 18 average employment.

- Augmentation of staff and related support costs for the Agent Orange program ADP System, long-term planning and development and evaluation of five- year medical facility plans. The increased requirements for these staff activities total $3,345,000 and 6 average employment.

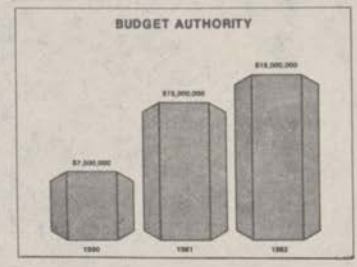
- Increases in operational costs of $778,000 for the Postgraduate and Inservice Training Program (PIT) which improves the effectiveness of the VA/DM&S education process and its impact on employee performance and patient care.

- A reduction of $775,000 related to Exchange of Medical Information activities, based on no initiation of new grants or projects in fiscal year 1982 and reduced support in each of the remaining VAMC based projects.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

This appropriation provides funds to assist the States in the construction of State Nursing Home Care and Domiciliary facilities and the remodeling, modification or alteration of existing buildings for furnishing domiciliary, nursing home or hospital care to veterans in State homes. Funds provided by this appropriation remain available for three years.

The budget authority requested for 1982 increases by $3,000,000 over 1981.



Costs and Budget Authority
($'s in thousands)

	1980	1981	1982	Change
Program:				
Grants to States for the construction, remodeling or home facilities - costs	$ 14,223	$ 9,100	$13,500	$+4,400
Adjustment to obligations	-10,446	3,937	2,610	-1,327
Total obligations	3,778	13,037	16,110	+3,073
Financing:				
Unobligated balance available				
Start of year.....	- 129	- 3,541	-5,504	-1,963
End of year	3,541	5,504	7,394	+1,890
Unobligated balance lapsing ..	310	...	...	...
Budget Authority	7,500	15,000	18,000	+3,000

The $18,000,000 requested under this program will provide grants to assist the States to construct State home facilities for furnishing domiciliary or nursing home care to veterans, and to expand, remodel or alter existing buildings for furnishing domiciliary, nursing home, or hospital care to veterans in State homes. A grant may not exceed 65 percent of the total cost of a project, and grants to any one State may not exceed one-third of the amount appropriated in any fiscal year. This program was approved on August 19, 1964 (Section 5031-5037, Title 38, U.S.C.) and authorized an appropriation of $5,000,000 per year for a period of five years beginning in 1965. Public Law 90-432 extended the authority from 5 years to 10 years, and Public Law 93-82, extended the authority from 10 years to 15 years. Public Law 95-62 provided for a single authorization of up to $15,000,000 with VA participation in construction of new domiciliaries as well as new nursing homes, and for sums appropriated to remain available until expended. The program has been extended to September 30, 1982 by Public Law 96-151, approved December 20, 1979. As reauthorized the program does not have a specific annual funding authorization for 1981 and 1982.

A total of $117,200,000 was appropriated for fiscal years 1966 through 1981. As of September 30, 1980, commitments for grants have been made and funds obligated for the following projects:

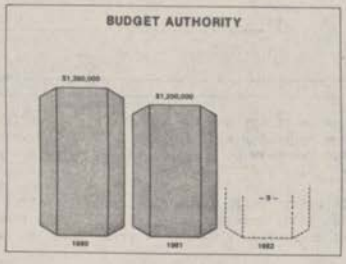
($'s in thousands)

Location	Projects With Beds	Projects W/O Beds	Number of New Beds	Total Estimated Cost ($000)	Actual VA Commitments/ Obligations ($000)
Ardmore, OK	...	1	...	$ 48	$ 31
Augusta, GA	1	...	192	1,956	978
Augusta, ME	1	...	200	6,000	3,840
Bennington, VT	3	2	135	5,590	2,888
Boise, ID	2	...	90	2,223	1,368
Bristol, RI	2	...	315	4,611	2,891
Buffalo, WY	1	1	60	2,786	1,811
Chelsea, MA	...	15	...	5,119	2,825
Clinton, OK	1	2	36	758	471
Columbia Falls, MT	1	...	40	449	220
Columbia, SC	1	...	115	1,982	687
Erie, PA	1	2	75	3,236	1,861
Florence, CO	1	...	120	1,331	865
Ft. Dodge, KS	1	...	88	830	415
Grand Island, NE	2	1	200	3,299	1,333
Grand Rapids, MI	1	...	537	7,689	3,702
Hastings, MN	...	1	...	1,969	1,279
Hollidaysburg, PA	2	...	412	5,361	3,379
Holyoke, MA	1	9	155	2,849	1,354
Homelake, CO	...	4	...	487	314
Hot Springs, SD	...	1	...	42	27
Jackson, LA	1	...	235	8,675	5,000
King, WI	2	7	400	7,264	3,337
Lafayette, IN	2	...	250	12,532	6,126
Lisbon, ND	...	2	...	1,781	1,158
Little Rock, AR	1	...	150	1,663	1,081
Marshalltown, IA	3	13	620	23,827	14,639
Menlo Park, NJ	2	2	200	5,187	2,696
Milledgeville, GA	1	1	132	5,849	2,626
Minneapolis, MN	1	4	250	7,467	4,848
Norman, OK	1	1	50	492	246
Orting, WA	1	10	40	4,382	2,831
Quincy, IL	1	1	200	3,401	1,785
Retsil, WA	1	7	78	5,236	3,384
Rocky Hill, CT	...	4	...	1,463	947
St. James, MO	1	1	60	1,569	858
Sandusky, OH	1	...	300	9,795	6,179
Scotts Bluff, NE	...	1	...	618	402
Sulfur, OK	...	1	...	107	69
Tilton, NH	2	...	100	2,516	1,485
Vineland, NJ	3	1	300	8,131	3,279
Yountville, CA	...	7	...	1,920	1,248
GRAND TOTALS	46	102	6,135	172,490	96,763

GRANTS TO THE REPUBLIC OF PHILIPPINES

This appropriation provides grants-in-aid to the Republic of the Philippines for medical care and treatment of eligible Philippine Commonwealth veterans and new Philippine Scouts. Public Law 95-520 extended the program through September 30, 1981, and provides for: (1) Payment for nursing home care, with total annual payments not to exceed $250,000 from the $2 million applicable to medical care and treatment; (2) Payment of $50 thousand annually for grants for education and training of health service personnel; and (3) Payment of $50 thousand annually to assist in replacing and upgrading equipment and in rehabilitating the physical plant of the Veterans Memorial Medical Center.

The budget authority has been requested for 1982.



Costs and Budget Authority
($'s in thousands)

	1980	1981	1982	Change
Program Costs:				
Medical care and treatment	$1,239	$1,100	...	$-1,100
Training.....	50	50	...	- 50
Equipment and maintenance.....	47	52	...	- 52
Total program costs.....	1,335	1,202	...	-1,202
Adjustment to obligations.....	55	...	...	...
Total obligations	1,390	1,202	...	-1,202
Financing:				
Unobligated balance available, start of year (-)	- 53	- 2	...	+ 2
Unobligated balance available, end of year (+)	2	...	...	...
Unobligated balance lapsing	11	...	...	...
Budget authority	1,350	1,200	...	-1,200

Comparative workload levels for the past and current years are as follows:

Programs Indicators

	1980	1981	1982	Change
Hospital:				
Average daily census....	195	172	...	- 172
Patients treated	3,075	2,772	...	-2,772
Nursing Home:				
Average daily census....	3	2	...	- 2
Patients treated.....	1	3	...	- 3
Outpatient Visits:				
Staff.....	7,838	8,741	...	-8,741
Fee.....	499	938	...	- 938
Total	8,337	9,679	...	-9,679

Authorization for the extension of the program through September 30, 1981 was contained in the Veterans' Administration Programs Extension Act of 1978, P.L. 95-520 which was approved on October 26, 1978. Since no further extension has been authorized, no resources are being requested for fiscal year 1982.

Since the inception of this grant-in-aid program in 1950 a total of $48,417,000 in appropriated funds have been obligated through 1980, consisting of: $37,412,000 for medical care and treatment; $10,338,000 for construction and improvements of the Veterans Memorial Hospital; and $667,000 for health service personnel training.

ASSISTANCE FOR HEALTH MANPOWER TRAINING INSTITUTIONS

This appropriation basically provides funds for making grants to eligible applicants for the purpose of health manpower education and training. Specifically, grants were awarded to assist in the establishment of five new State medical schools located in proximity to and operated in conjunction with Veterans Administration hospitals; grants may be awarded to existing medical schools which are affiliated with the VA, to improve their training; to other health manpower institutions affiliated with the VA to assist in coordination, improvement and expansion of the training of professional, technical allied health and paramedical personnel. In addition, funds may be provided to expand and make necessary improvements to VA hospitals so that they will be suitable for use in health manpower education and training in cooperation with affiliated medical schools and other institutions.

No budget authority has been requested for 1982.

Obligations and Budget Authority
($'s in thousands)

	1980	1981	1982	Change
Program:				
Grants to new medical schools ...	$ 29,102	$25,589	$ 9,526	$-16,063
Other institutions:				
Grants to affiliated medical schools	16,539	8,704	...	- 8,704
Grants to other training institutions	3,508	2,496	...	- 2,496
VA expansion	570	1,192	...	- 1,192
Other subtotal.....	20,617	12,392	...	-12,392
Total obligations	49,719	37,981	9,526	-28,455
Financing:				
Unobligated balance available:				
Start of year	-101,158	-51,442	-13,461	+37,981
Restores	- 3	...	...	...
End of year	51,442	13,461	3,935	- 9,526
Budget authority	...	...	...	...
Unobligated Balance Available:				
Start of year	101,158	51,442	13,461	+37,981
New medical schools	(68,149)	(39,050)	(13,461)	(-25,589)
Other	(33,009)	(12,392)	...	(-12,392)
End of year	51,442	13,461	3,935	(- 9,526)
New medical schools	(39,050)	(13,461)	(3,935)	(- 9,526)
Other	(12,392)	...	...	...

The funds appropriated in any given year remain available for the six succeeding fiscal years following the fiscal year for which they were appropriated. Initial funds for this program were appropriated at the close of fiscal year 1973. A total of $297 million has been appropriated through 1980.

To date, five new State medical schools, Wright State University in Ohio; the University of South Carolina; Texas A&M University; Marshall University in West Virginia and East Tennessee State University, have been approved and grant funds made available. There also have been grant awards to 18 established medical schools and 135 other health manpower institutions. The program has been amended by the "Veterans Health Program Extension and Improvement Act of 1979," P.L. 96-151, approved December 20, 1979, which authorizes the appropriation of $15,000,000 in FY 1980, $25,000,000 in FY 1981 and $30,000,000 in FY 1982. There is no FY 1982 budget request for this program, because funds previously appropriated remain available for obligation and will be utilized to fully meet approved commitments.

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OTHER MEDICAL AND RELATED PROGRAMS

CANTEEN SERVICE REVOLVING FUND

This fund, which is financed solely from current revenues, provides for the maintenance and operation of the Veterans Canteen Service at all VA hospitals and domiciliaries. The canteens provide at reasonable prices, merchandise and services necessary to the comfort and well-being of veterans in hospitals, nursing homes and domiciliaries.

Revenues for 1982 are estimated to increase $12,837,000 over 1981.

Profit and Loss Statement
($'s in thousands)

			1982		Change	
	1980	Revised 1981	January Budget	Revised	Rev(+)or(-) Jan.Bud.	Rev(+)or(-) 1981
Revenue	$149,392	$153,929	$166,766	164,366	2,400	+10,437
Cost of Goods Sold (-)	-95,952	-102,520	-112,531	-110,131	-2,400	- 7,611
Gross Profit	53,440	51,409	54,235	54,235	...	+ 2,826
Operating Expense (-)	-48,931	-49,401	-51,898	51,898	...	- 2,497
Net Operating Income	4,509	2,008	2,337	2,337	...	+ 329
Nonoperating Loss (-)	-447	45	-5	-5	...	50
Net Income	4,062	2,053	2,332	2,332	...	279
Average Employment	3,442	3,544	3,604	3,364	-60	-180

SPECIAL THERAPEUTIC AND REHABILITATION ACTIVITIES FUND

This revolving fund, established by Public Law 94-581, approved October 21, 1976, provides a mechanism for the furnishing of rehabilitative services to certain veteran beneficiaries who are receiving medical care and treatment from the Veterans Administration. This is a self-sustaining fund, requiring no appropriation, since therapeutic work remuneration for patients and members in Veterans Administration medical centers will be derived from contractual arrangements with private industry or nonprofit entities.

Revenues for 1982 are estimate to increase $16,000 over 1981.

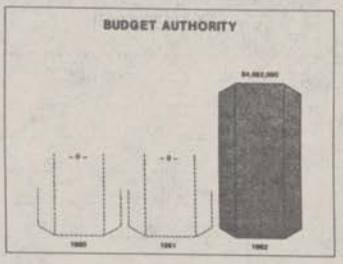
Profit and Loss Statement
($'s in thousands)

	1980	1981	1982	Change
Revenue	$ 2,175	$ 2,066	$2,082	$+ 16
Expense	-1,949	-2,066	2,082	- 16
Net Income	226	...	...	...

CONSTRUCTION AND OPERATION OF GARAGE AND PARKING FACILITIES

This revolving fund established pursuant to the Veterans' Health Care Amendments Act of 1979, Public Law 96-22, provides a mechanism for collecting funds from employees to operate medical employee parking facilities.

A budget authority level of $4, 692,000 is requested for 1982.



The $4.7 million appropriation request is necessary because the employee contributions are insufficient to meet operational and construction expenses for 1982.

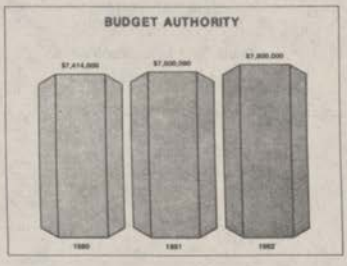
Profit and Loss Statement
($'s in thousands)

	1980	1981	1982	Change
Revenue	230	400	500	+ 100
Expense	-110	-250	-5,079	-4,829
Net Income	121	150	-4,579	-4,729

GENERAL POST FUND, NATIONAL HOMES

This trust fund is used to promote the comfort and welfare of veterans at hospitals and homes where no general appropriation is available for the involved religious, recreational and entertainment expenses. The fund consists of gifts, bequests and proceeds of sale of property left in care of the facilities by former beneficiaries; patients' fund balances and proceeds of sale of effects of beneficiaries who die leaving no heirs or without having otherwise disposed of their estate.

The budget authority for 1980 is estimated to be $300,000 over 1981.



Costs/Obligations and Budget Authority
($'s in thousands)

	1980	1981	1982	Change
Program:				
Costs/Obligations.....	$6,344	$6,800	$7,100	$+300
Budget Authority (permanent indefinite)...	7,414	7,500	7,800	+300

SUPPLY REVOLVING FUND

The Supply Fund provides financial support for procurement of supplies, equipment and services and the warehousing of inventories. The procurement, warehousing and operating costs are recovered through reimbursements from the VA appropriations and other Government agencies receiving the goods and services.

Specifically, the fund provides for: (1) maintenance of depot and field station inventories; (2) maintenance and operation of three supply depots; (3) a publications depot, including printing services to VA installations on a centralized basis; (4) operation of a service and reclamation program operating out of the supply depots; (5) centralized periodical procurement and library cateloging; and (6) a marketing center or central buying office.

Revenues for 1982 are estimated to increase $37,160,000 over 1981.

Profit and Loss Statement
($'s in thousands)

			1982		Change	
	1980	Revised 1981	January Budget	Revised	Rev(+)or(-) Jan.Bud.	Rev(+)or(-) 1981
Revenue	$ 436,629	$ 515,336	$ 555,810	$552,496	$-3,314	$+37,160
Cost of Goods Sold (-)	-401,796	-482,151	-522,606	-517,606	5,000	-35,455
Gross Profit	34,833	33,185	33,204	34,890	+1,686	+1,705
Operating Expense (-)	-19,672	-22,062	-22,955	-22,890	+65	-828
Net Operating Income	15,161	11,123	10,249	12,000	+1,751	+877
Nonoperating Loss (-)	-14	-25	-25	-25	...	...
Net Income	15,147	11,098	10,224	11,975	+1,751	+877
Average Employment	699	704	716	669	-47	-35

SUMMARY OF APPROPRIATION REQUIREMENTS

Appropriation	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
		(dollars in thousands)			
Medical Care	$5,832,039	$6,365,185	$6,325,958	$7,004,945	$6,674,891
Medical and Prosthetic Research:					
Medical Research	115,388	127,680	126,290	140,523	132,535
Rehabilitative Research	7,306	9,140	8,713	10,185	9,421
Health Services Research	3,153	3,250	3,245	4,673	3,743
Sub-Total	125,847	140,070	138,248	155,381	145,699
Medical Administration & Miscellaneous Operating Expenses:					
Medical Administration	35,674	42,017	41,335	50,698	46,923
Postgraduate & In-service Training	10,031	10,750	9,924	12,324	10,702
Exchange of Medical Information	2,500	1,550	1,550	1,550	775
Sub-Total	48,205	54,317	52,809	64,572	58,400
Grants for Construction of State Extended Care Facilities	7,500	15,000	15,000	18,000	18,000
Grants to the Republic of the Philippines	1,350	1,200	1,200	...	...
Assistance for Health Manpower Training Institutions	...	...	...	...	...
Construction and Operation of Garage and Parking Facilities	...	...	...	4,692	4,692
Sub-total	6,014,941	6,575,772	6,533,215	7,247,590	6,901,682
General Post Fund (Trust)	7,414	7,500	7,500	7,800	7,800
Total	6,022,355	6,583,272	6,540,715	7,255,390	6,909,482

1981 Supplementals - (included above)	Pay Raise	Program	Total
Medical Care	$225,978 1/	$ 79,967	$305,945
Research	6,095	...	6,095
MAMOE	1,591	...	1,591
Total	233,664	79,967	313,631

1/ Includes $31,162,000 for Wage Board.

SUMMARY OF APPROPRIATION HIGHLIGHTS

FY 1981 Changes

Appropriation/Fund	1981 January Request	Presidential Action	Revised Request
	(dollars in thousands)		
Medical Care.....	$6,365,185	$ - 39,227	$6,325,958
Medical and Prosthetic Research...	140,070	- 1,822	138,248
Medical Administration and Miscellaneous Operating Expenses....	54,317	- 1,508	52,809
Grants for Construction of State Extended Care Facilities.....	15,000	...	15,000
Grants to the Republic of the Philippines....	1,200	...	1,200
General Post Fund (Trust).....	7,500	...	7,500
Total.....	6,583,272	- 42,557	6,540,715

5-4R
19-48B

SUMMARY OF BUDGETED OUTLAYS APPROPRIATION/FUND

Appropriation	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
		(dollars in thousands)			
Medical Care...	$5,981,288	$6,306,073	$6,265,646	$6,983,227	$6,653,173
Medical and Prosthetic Res.	132,281	139,816	137,994	155,381	145,699
Medical Administration & Misc. Operating Expenses.....	50,052	54,267	52,759	64,572	58,400
Grants for Construction of State Extended Care Facilities.	14,223	5,905	5,905	9,153	9,153
Grants to the Republic of the Philippines.....	1,330	1,200	1,200	320	320
Assistance for Health Manpower Training Inst..	42,406	49,529	49,529	22,005	22,005
Canteen Service Revolving Fund..	- 887	- 143	- 843	- 1,550	- 3,650
Special Therapeutic and Rehabilitation Activities Fund...	- 191	- 255	- 255	- 257	- 257
Construction and Operation of Garage and Parking Facs.	- 122	- 160	- 160	4,692	- 4,692
General Post Fund.	6,186	6,800	6,800	7,100	7,100
Total.....	6,518,575	6,563,032	6,518,575	7,244,643	6,887,251

Pay Raise Supplementals - (included above)

Medical Care.....	217,521 1/	8,457
Research.....	5,841	254
MAMOE.....	1,541	50
Total.....	224,903	8,761

1/ Includes $31,162,000 for Wage Board.

Program Supplementals - (included above)

Medical Care.....	79,967	...

5-5R
19-48C

DM&S
ADP Resources

	1980	1981		1982	
	Actual	January	Revised	January	Revised
Average Employment.....	445	473	473	509	481
Costs (in thousands)					
Personal Services.....	$ 7,374	$ 8,629	$ 8,629	$10,205	$ 9,314
Employee Travel.....	140	141	141	401	401
ADP Equipment Rentals.....	688	840	840	1,024	959
Services:					
Commercial Services.....	2,584	4,382	4,382	6,829	6,397
Interagency Services.....	253	365	365	495	365
Intra-agency Services....	10,293	11,086	11,086	12,123	12,123
Other Services.....	...	292	292	307	307
Space and Other Operating Costs.....	15	320	320	470	369
Capital Investment.....	2,183	3,848	3,033	3,792	1,830
Site Preparations.....	31	552	424	120	120
TOTAL.....	23,561	30,455	29,512	35,766	32,185

Medical Care
ADP Resources

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
Average Employment.....	360	378	378	382	380
Costs (in thousands):					
Personal Services.....	$ 5,108	$ 5,682	$ 5,682	$ 5,933	$ 5,900
Employee Travel.....	91	95	95	216	216
ADP Equipment Rentals.....	553	700	700	869	809
Services:					
Commercial Services.....	1,888	2,628	2,628	3,034	3,034
Interagency Services....	90	100	100	100	100
Intra-agency Services...	10,293	11,086	11,086	12,123	12,123
Other Services.....	...	7	7	7	7
Space and Other Operating Costs.....	15	268	268	418	317
Capital Investment.....	1,283	2,208	1,736	2,142	180
Site Preparations.....	31	432	304	...	...
Total.....	19,352	23,206	22,606	24,842	22,686

Medical Administration and Miscellaneous Operating Expenses
ADP Resources

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
Average Employment.....	45	55	55	87	61
Costs (in thousands):					
Personal Services.....	$1,226	$1,817	$1,817	$3,132	$2,274
Employee Travel.....	49	46	46	185	185
ADP Equipment Rentals.....	19	40	40	45	40
Services:					
Commercial Services.....	416	1,383	1,383	3,415	2,983
Interagency Services....	121	175	175	305	175
Space and Other Operating Costs	...	2	2	2	2
Capital Investment.....	37	400	392	400	400
Total.....	1,868	3,863	3,855	7,484	6,059

Medical and Prosthetic Research
ADP Resources

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
Average Employment.....	40	40	40	40	40
Costs (in thousands):					
Personal Services.....	$1,040	$1,130	$1,130	$1,140	$1,140
ADP Equipment Rentals.....	116	100	100	110	110
Services:					
Commercial Services.....	280	371	371	380	380
Interagency Services....	42	90	90	90	90
Other Services.....	...	285	285	300	300
Space and Other Operating Costs.....	...	50	50	50	50
Capital Investment.....	863	1,240	905	1,250	1,250
Site Preparations.....	...	120	120	120	120
Total.....	2,341	3,386	3,051	3,440	3,440

Medical Care
Appropriation Highlights

	1981		1982	
	January	Revised	January	Revised
	(dollars in thousands)			
Major Programs:				
Maintenance & Operation of VA Medical Centers..	$6,100,490	$6,061,263	$6,714,981	$6,403,680
Contract Care.....	215,539	215,539	240,299	221,546
Grants for State Home Care.....	46,859	46,859	48,379	48,379
CHAMPVA.....	47,297	47,297	51,478	51,478
Costs.....	6,410,185	6,370,958	7,055,137	6,725,083
Appropriation.....	6,365,185	6,325,958	7,004,945	6,674,891
Obligations.....	6,410,185	6,370,958	7,055,137	6,725,083
Outlays.....	6,306,073	6,265,646	6,983,227	6,653,173
Average employment (jurisdictional).....	185,869	184,589	186,287	181,106

FTEE BY TYPE

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
Nurses	29,001	29,125	28,953	29,470	28,537
Dentists	1,027	1,032	1,026	1,043	1,032
Physicians	11,613	11,661	11,592	11,814	11,517
Psychologists	1,331	1,337	1,299	1,340	1,236
Wage Board	37,217	37,376	37,155	37,411	37,154
Purchase & Hire	323	320	318	320	317
Other Personnel	105,186	105,641	104,869	105,512	101,936
Total, Net	185,698	186,492	185,212	186,910	181,729
Less, Common Services	- 644	- 623	- 623	- 623	- 623
Total, Jurisdictional	185,054	185,869	184,589	186,287	181,106

FTEE BY ACTIVITY

Medical Bed Sections	73,620	74,456	73,772	73,682	72,099
Surgical Bed Sections	36,116	35,450	35,152	35,667	35,300
Psychiatric Bed Sections	33,916	34,410	34,288	34,415	33,881
VA Hospitals	143,651	144,316	143,212	143,764	141,280
VA Domiciliaries	2,814	2,720	2,720	2,720	2,720
VA Nursing Homes	8,666	8,750	8,750	9,551	9,516
Outpatient	29,026	29,164	28,988	29,333	26,671
Miscellaneous Benefits & Services	1,034	1,034	1,034	1,034	1,034
Non-VA Support	508	508	508	508	508
Total, Net	185,698	186,492	185,212	186,910	181,729
Less, Common Services	- 644	- 623	- 623	- 623	- 623
Total, Jurisdictional	185,054	185,869	184,589	186,287	181,106
Education & Training Support	(8,691)	(9,056)	(9,056)	(9,091)	(8,964)

COMPARATIVE EMPLOYMENT RATIOS

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
STAFFING RATIOS (FTEE/CENSUS):					
Medical Bed Sections..	2.18	2.28	2.26	2.32	2.27
Surgical Bed Sections.	2.70	2.88	2.86	2.93	2.90
Psychiatric Bed Sections.....	1.61	1.69	1.68	1.72	1.69
Average VA Hospitals..	2.11	2.21	2.19	2.25	2.21
VA Domiciliaries.....	.36	.36	.36	.36	.36
VA Nursing Homes.....	1.09	1.06	1.06	1.07	1.07
FTEE/1,000 PATIENTS TREATED:					
Medical Bed Sections..	101	103	102	102	100
Surgical Bed Sections.	110	108	108	109	108
Psychiatric Bed Sections.....	181	184	183	184	181
Average All VA Hospitals.....	115	117	116	116	114
VA Domiciliaries.....	185	185	185	185	185
VA Nursing Homes.....	680	660	660	669	668

MEDICAL CARE - PROGRAM SUMMARIES

Number of Installations

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
VA Hospitals.....	172	172	172	172	172
VA Domiciliaries.....	16	16	16	16	16
VA Nursing.....	92	96	96	100	100
Outpatient Clinics.....	227	228	228	229	228

Summary of Inpatient Workloads and Workload Indicators

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
Medical Bed Sections:					
Avg. Operating Beds.	41,215	40,750	40,750	40,150	38,750
End Point OP Beds...	40,815	40,350	40,350	39,700	38,300
(Census)....	(33,712)	(32,616)	(32,616)	(31,767)	(31,767)
Occupancy Rate.....	81.8	80.0	80.0	79.1	82.0
Length of Stay.....	19.6	19.4	19.4	19.2	19.2
Patients Treated....	730,283	724,230	724,230	724,145	724,145
Surgical Bed Sections:					
Avg. Operating Beds.	18,044	17,700	17,700	17,450	17,450
End Point OP Beds...	17,823	17,550	17,550	17,350	17,350
(Census)....	(13,379)	(12,308)	(12,308)	(12,168)	(12,168)
Occupancy Rate.....	74.1	69.5	69.5	69.7	69.7
Length of Stay.....	16.5	16.3	16.3	16.1	16.1
Patients Treated....	329,428	326,832	326,832	326,938	326,938
Psychiatric Bed Sections:					
Avg. Operating Beds.	24,886	24,250	24,250	23,900	23,500
End Point OP Beds...	24,322	24,000	24,000	23,650	23,250
(Census)....	(21,018)	(20,361)	(20,361)	(20,044)	(20,044)
Occupancy Rate.....	84.5	84.0	84.0	83.9	85.3
Length of Stay.....	46.5	46.4	46.4	46.3	46.3
Patients Treated....	187,805	186,938	186,938	186,987	186,987
Sub-Total VA Hospitals:					
Avg. Operating Beds.	84,145	82,700	82,700	81,500	79,700
End Point OP Beds...	82,960	81,900	81,900	80,700	78,900
(Census)....	(68,109)	(65,285)	(65,285)	(63,979)	(63,979)
Occupancy Rate.....	80.9	78.9	78.9	78.5	80.3
Length of Stay.....	22.6	22.4	22.4	22.2	22.2
Patients Treated.....	1,247,516	1,238,000	1,238,000	1,238,070	1,238,070
Admissions.....	1,182,603	1,172,715	1,172,715	1,174,091	1,174,091

Summary of Inpatient Workloads and Workload Indicators (Cont'd)

	1980	1981		1982	
	Actual	January	Revised	January	Revised
VA Domiciliaries:					
Avg. Operating Beds.	9,217	8,355	8,355	8,270	8,270
End Point OP Beds...	8,431	8,270	8,270	8,270	8,270
(Census)....	(7,894)	(7,520)	(7,520)	(7,520)	(7,520)
Occupancy Rate.....	85.6	90.0	90.0	90.9	90.9
Length of Stay.....	456.2	460.0	460.0	461.0	461.0
Patients Treated....	15,180	14,700	14,700	14,700	14,700
VA Nursing Homes:					
Avg. Operating Beds.	8,394	8,670	8,670	9,436	9,406
End Point OP Beds...	8,496	9,156	9,156	9,629	9,629
(Census)....	(7,933)	(8,237)	(8,237)	(8,919)	(8,888)
Occupancy Rate.....	94.5	95.0	95.0	94.5	94.5
Length of Stay.....	514.3	507.3	507.3	500.0	500.0
Patients Treated....	12,750	13,250	13,250	14,284	14,237
Total VA Facilities:					
Avg. Operating Beds.	101,756	99,725	99,725	99,206	97,376
End Point OP Beds...	99,887	99,326	99,326	98,599	96,799
(Census)....	(83,936)	(81,042)	(81,042)	(80,418)	(80,387)
Occupancy Rate.....	82.5	81.3	81.3	81.1	82.6
Length of Stay.....	25.8	25.0	25.0	24.7	24.7
Patients Treated....	1,275,446	1,265,950	1,265,950	1,267,054	1,267,007
Contract Hospitals:					
(Census)....	(1,213)	(1,160)	(1,160)	(1,061)	(1,061)
Length of Stay.....	15.7	14.7	14.7	14.7	14.7
Patients Treated....	29,456	30,000	30,000	26,733	26,733
Community Nursing Homes:					
(Census)....	(8,529)	(9,195)	(9,195)	(9,295)	(8,202)
Length of Stay.....	134.6	125.0	125.0	124.0	124.0
Patients Treated....	28,536	30,803	30,803	31,058	27,477
State Home Domiciliaries:					
(Census)....	(4,892)	(5,180)	(5,180)	(5,484)	(5,484)
Length of Stay.....	364.6	380.0	380.0	380.0	380.0
Patients Treated....	9,786	10,150	10,150	10,749	10,749
State Home Nursing Care:					
(Census)....	(5,586)	(6,200)	(6,200)	(6,366)	(6,366)
Length of Stay.....	456.4	434.5	434.5	425.5	425.5
Patients Treated....	10,053	11,283	11,283	11,638	11,638
State Home Hospitals:					
(Census)....	(929)	(1,000)	(1,000)	(1,000)	(1,000)
Length of Stay.....	66.9	67.4	67.4	67.4	67.4
Patients Treated....	5,994	5,530	5,530	5,170	5,170

Summary of Inpatient Workloads and Workload Indicators (Cont'd)

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
Total Non-VA:					
(Census)...	(21,149)	(22,735)	(22,735)	(23,206)	(22,113)
Patients Treated...	83,825	87,766	87,766	85,348	81,767
Totals VA and Non-VA:					
(Census)...	(105,085)	(103,777)	(103,777)	(103,624)	(102,500)
Patients Treated...	1,359,271	1,353,716	1,353,716	1,352,402	1,348,774

Medical Outpatient Visits - Staff and Fee
(Visits in thousands)

Outpatient Activity Compensation & Pension:					
Staff.....	288	294	294	295	265
Fee.....	86	89	89	89	89
Total.....	373	383	383	384	354
10-10 Exams:					
Staff.....	2,404	2,450	2,450	2,461	2,210
Fee.....	32	33	33	33	33
Total.....	2,436	2,483	2,483	2,494	2,243
All Other:					
Staff.....	13,060	13,310	13,268	13,373	11,954
Fee.....	2,102	2,177	2,177	2,177	2,177
Total.....	15,162	15,487	15,445	15,550	14,131
Total Visits:					
Staff.....	15,752	16,054	16,012	16,129	14,429
Fee.....	2,220	2,299	2,299	2,299	2,299
Total.....	17,972	18,353	18,311	18,428	16,728

Staff and Fee Outpatient Dental Program

Staff Exams.....	157,601	165,600	165,600	173,000	173,000
Staff Treatments.....	149,594	157,000	157,000	164,000	164,000
Fee Cases.....	71,550	78,000	78,000	46,991	46,991

CHAMPVA Workloads

Inpatient Census.....	432	426	426	426	426
Outpatient Fee Visits.	158,074	141,195	141,195	136,221	136,221

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SUMMARY OF COSTS BY ACTIVITY

Activity	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
		(dollars in thousands)			
Medical Bed Sections.....	$1,963,097	$2,098,696	$2,081,465	$2,293,778	$2,213,283
Surgical Bed Sections.....	1,021,719	1,056,087	1,047,307	1,173,681	1,137,536
Psychiatric Bed Sections.....	854,135	923,483	916,295	1,020,137	982,415
VA Hospitals.....	3,838,951	4,078,266	4,045,067	4,487,596	4,333,234
VA Domiciliaries....	84,923	86,626	86,466	93,749	92,098
VA Nursing Homes....	218,906	244,880	244,561	282,833	278,692
Outpatient Care.....	1,139,345	1,239,114	1,233,886	1,363,730	1,220,780
Misc. Ben. & Svcs...	121,978	132,539	132,300	140,068	137,901
Education & Training	301,888	319,065	318,983	347,005	340,975
VA Facilities.....	5,705,989	6,100,490	6,061,263	6,714,981	6,403,680
Contract Hospitals..	73,841	77,255	77,255	77,809	77,809
State Home Hospitals	4,146	5,449	5,449	5,469	5,469
Community Nursing Homes.....	118,089	138,284	138,284	162,490	143,737
State Home Nursing..	21,732	28,408	28,408	29,172	29,172
State Home Domiciliaries	11,673	13,002	13,002	13,738	13,738
CHAMPVA.....	36,308	47,297	47,297	51,478	51,478
(Inpatient).....	(26,074)	(37,485)	(37,485)	(41,498)	(41,498)
(Outpatient).....	(10,234)	(9,812)	(9,812)	(9,980)	(9,980)
Non-VA Facilities.	265,789	309,695	309,695	340,156	321,403
Total Cost.....	5,971,778	6,410,185	6,370,958	7,055,137	6,725,083
Adjustment.....	-114,328	...	...	...	...
Total Obligations...	5,857,450	6,410,185	6,370,958	7,055,137	6,725,083
Less Reimbursements.	- 43,498	- 45,000	- 45,000	- 50,192	- 50,192
Lapse.....	18,087	...	...	...	...
Budget Authority....	5,832,039	6,365,185	6,325,958	7,004,945	6,674,891
Supplemental Included		[345,172]	[305,945]		

PATIENT COST DATA

Activity	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
AVERAGE COST/PATIENT DAY:					
Medical Bed Sections....	$159.10	$ 176.29	$ 174.84	$ 197.83	$ 190.88
Surgical Bed Sections...	208.65	235.08	233.13	264.26	256.13
Psychiatric Bed Sections.....	111.03	124.26	123.29	139.44	134.28
Average All VA Hospitals.....	154.00	171.15	169.75	192.17	185.56
VA Domiciliaries.....	29.39	31.56	31.50	34.16	33.55
VA Nursing Homes.....	75.39	81.45	81.34	86.88	85.91
Contract Hospitals.....	160.05	175.36	175.36	192.89	192.89
Community Nursing Homes.	36.96	40.33	40.33	47.01	47.01
State Home Domiciliaries	5.50	1/ 6.35	6.35	6.35	6.35
State Home Nursing	10.16	12.10	12.10	12.10	12.10
State Home Hospitals....	10.52	13.25	13.25	13.25	13.25
COST/PATIENT TREATED:					
Medical Bed Sections....	$2,688	$2,898	$2,874	$3,168	$3,056
Surgical Bed Sections...	3,101	3,231	3,204	3,590	3,479
Psychiatric Bed Sections.....	4,548	4,940	4,902	5,456	5,254
Average All VA Hospitals.....	3,077	3,294	3,267	3,625	3,500
VA Domiciliaries.....	5,594	5,893	5,882	6,377	6,265
VA Nursing Homes.....	17,169	18,482	18,457	19,801	19,575
Contract Hospitals.....	2,412	2,475	2,475	2,794	2,794
Community Nursing Homes.	4,043	4,395	4,395	5,135	5,121
State Home Domiciliaries	1,098	1,183	1,183	1,183	1,183
State Home Nursing.....	2,067	2,427	2,427	2,416	2,416
State Home Hospitals....	597	875	875	935	935

1/ Per diem reflects statutory limitations.

COSTS BY OBJECT

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
		(dollars in thousands)			
10 PERSONAL SERVICES AND BENEFITS:					
Nurses	$ 685,083	$ 736,264	$ 731,910	$ 754,313	$ 731,979
Dentists	50,470	56,724	56,394	58,837	58,393
Physicians	620,880	734,531	730,184	773,567	758,306
Psychologists	48,018	51,605	50,121	52,526	49,944
Wage Rate	658,853	739,233	735,068	780,865	775,945
Purchase & Hire	8,384	9,010	8,953	9,138	9,072
Other Personnel	1,762,302	1,897,711	1,883,303	1,927,539	1,851,274
Sub-Real Estate, etc.	6,317	7,040	7,040	7,846	7,846
Employee Comp.Payments	30,126	35,535	35,535	39,809	39,809
Sub-Total	3,870,435	4,267,653	4,238,508	4,404,440	4,282,568
21 TRAVEL:					
Employee	4,078	5,726	5,726	6,695	6,695
Beneficiary	73,610	84,992	84,992	92,955	84,143
Interagency Mbt. Pools	4,459	5,675	5,675	6,356	6,356
Other	1,348	1,983	145	2,391	970
Sub-Total	83,495	98,376	96,538	108,397	98,164
22 TRANSPORTATION OF THINGS:					
Shipment of Household Goods	5,044	6,105	6,105	7,213	6,926
Other Transportation	7,297	9,126	9,126	10,080	9,729
Sub-Total	12,341	15,231	15,231	17,293	16,655
23 RENT, COMMUNICATIONS & UTILITIES:					
Motion Picture Film	119	145	145	183	172
Rental of Equipment	7,962	8,394	7,855	10,177	8,984
Communications	51,893	60,898	60,898	74,921	71,166
Utilities	117,872	138,190	138,190	171,970	162,924
GSA Basic Space Rental (SLUC)	15,337	18,783	18,783	22,689	22,289
GSA Special Space Svcs	130	990	990	990	990
Other Real Property Rental	2,938	4,564	4,320	4,564	3,280
Sub-Total	196,251	231,964	231,181	285,494	269,805
24 PRINTING & REPRODUCTION	6,345	7,759	7,759	9,120	9,120
25 OTHER SERVICES:					
Outpatient Dental Fees	53,086	59,000	59,000	37,189	37,189
Medical & Nursing Fees	105,440	115,774	115,774	126,284	126,284
Repairs to Furniture & Equipment	23,933	29,215	29,215	35,302	33,720
M&R Contractual Svcs	73,345	80,685	80,685	98,320	87,384
Incentive Therapy	4,440	4,704	4,704	5,002	4,924
Contract Hospitalization	71,046	74,247	74,247	74,700	74,700
Community Nursing Home	115,382	135,369	135,369	159,475	140,722
Repairs to Prosthetic Appliances	6,631	7,185	7,185	7,591	7,486
Other Contractual Svcs	145,288	156,218	156,218	176,949	161,240
CHAMPVA	36,308	47,297	47,297	51,478	51,478
Sub-Total	634,899	709,694	709,694	772,290	725,127

COSTS BY OBJECT (Continued)

	1980 Actual	1981 January	1981 Revised	January January	January Revised
	(dollars in thousands)				
26 SUPPLIES AND MATERIALS:					
Provisions	$ 87,632	$ 92,754	$ 92,754	$ 99,356	$ 97,649
Drugs & Medicines	250,438	273,391	273,391	313,503	295,176
Blood & Blood Products	16,941	18,114	18,114	19,527	18,318
Medical & Dental Supplies	201,157	223,977	223,977	269,559	251,361
Fuels	22,680	27,205	27,205	32,279	28,921
Operating Supplies	91,364	99,659	98,141	111,521	101,014
M&R Supplies	56,465	60,917	60,917	73,167	61,413
Linens & Uniforms	19,256	20,425	20,425	23,453	22,665
Office Supplies	18,596	19,992	19,992	22,106	14,294
Prosthetic Appliances	62,264	69,199	69,199	79,069	73,106
Fee Prescriptions	10,796	13,177	13,177	14,277	14,277
Sub-Total	837,587	918,810	917,292	1,057,817	978,194
31 EQUIPMENT:					
Replacement	83,510	25,558	24,853	117,787	103,136
Additional	120,759	69,060	65,426	129,637	107,031
Sub-Total	204,269	94,618	90,279	247,424	210,167
32 LANDS & STRUCTURES:					
Replacement	50,574	16,027	16,027	69,172	57,830
Additional	40,478	5,829	4,225	38,028	31,791
Sub-Total	91,052	21,856	20,252	107,200	89,621
41 GRANTS, SUBSIDIES & CONTRIBUTIONS	35,104	44,224	44,224	45,662	45,662
TOTAL COSTS	5,971,778	6,410,185	6,370,958	7,055,137	6,725,083

Education and Training

Residency and Other Training Programs, Medical Care

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
Average Employment (FTEE):					
Physician House Staff*....	3,246	3,267	3,267	3,279	3,279
Specialized Fellows	42	82	82	92	74
Dentist House Staff*.....	148	151	151	151	151
Associated Health Trainees	762	873	873	903	827
Administrative Trainees...	238	316	316	266	266
Sub-Total Trainees.....	4,436	4,689	4,689	4,691	4,597
VAMC Instructional Support	3,183	3,059	3,059	3,092	3,059
Total Average Employment.....	7,619	7,748	7,748	7,783	7,656
Cost (In thousands):					
Physician House Staff....	$138,756	$151,626	$151,626	$162,850	$162,850
Specialized Fellows.....	1,587	3,860	3,860	4,352	3,640
Dentist House Staff.....	5,702	6,327	6,327	6,727	6,727
Associated Health Trainees	8,664	9,692	9,692	10,442	8,798
Administrative Trainees..	5,059	6,602	6,602	6,072	6,072
Sub-Total Trainees.....	159,768	178,107	178,107	190,443	188,087
VAMC Instructional Support	89,891	84,776	84,776	86,612	85,773
Total Cost.....	249,659	262,883	262,883	277,055	273,860
Number of Trainees:					
Medical House Staff.....	24,304	25,000	25,000	25,075	25,075
Medical Students.....	20,614	20,600	20,600	20,600	20,600
Dental House Staff.....	684	700	700	700	700
Dental Students.....	1,085	1,100	1,100	1,100	1,100
Nursing.....	27,648	27,700	27,700	27,700	27,700
Associated Health Professions & Occupations.....	21,561	21,600	21,600	21,810	21,490
Administrative.....	789	800	800	750	750
Total estimated number of Trainees.....	96,685	97,500	97,500	97,735	97,415
Percent of Trainees participating on a "without pay basis".....	81%	81%	81%	81%	81%

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VETERANS ADMINISTRATION
MEDICAL AND PROSTHETIC RESEARCH

APPROPRIATION HIGHLIGHTS

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
	(dollars in thousands)				
Major Program:					
Medical Research	$115,388	$127,680	$126,290	$140,523	$132,535
Rehabilitative Research	7,306	9,140	8,713	10,185	9,421
Health Services Research	3,153	3,250	3,245	4,673	3,743
Appropriation	125,847	140,070	138,248	155,381	145,699
Obligations	133,357 1/	147,270	145,448	162,581	152,899
Costs	137,665 1/	147,270	145,448	162,581	152,899
Outlays	132,281 1/	139,816	137,994	155,381	145,699
Average Employment	4,360	4,443	4,369	4,601	4,293

1/ Includes obligations of $1,173,000, costs of $1,365,000, and outlays of $1,369,000 which are reflected in the Presidents's Budget under account title "Consolidated Working Fund".

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MEDICAL AND PROSTHETIC RESEARCH
COST-OUTLAYS RECONCILIATION

	1980	1981		1982	
	Actual	January	Revised	January	Revised
	(dollars in thousands)				
Costs:					
Medical Research	$127,030	$134,880	$133,490	$147,723	$139,735
Rehabilitative Research	7,554	9,140	8,713	10,185	9,421
Health Services Research	3,081	3,250	3,245	4,673	3,743
Total	137,665	147,270	145,448	162,581	152,899
Change in Selected Resources	-4,308	...	...	...	...
Obligations:					
Medical Research	122,841	134,880	133,490	147,723	139,735
Rehabilitative Research	7,496	9,140	8,713	10,185	9,421
Health Services Research	3,020	3,250	3,245	4,673	3,743
Total	133,357	147,270	145,448	162,581	152,899
Reimbursements:					
Cancer Chemotherapy	- 3,391	- 3,225	- 3,225	- 3,225	-3,225
Direct Grants	- 578	- 1,225	- 1,225	- 1,225	-1,225
Other Medical	- 2,512	- 2,750	- 2,750	- 2,750	-2,750
Rehabilitative	- 317	...	...	...	...
Total	- 6,798	- 7,200	- 7,200	- 7,200	-7,200
Unobligated Balance: Beginning of Year:					
Medical Research	- 1,501	- 354	- 354	- 354	- 354
Rehabilitative Research	- 65	- 192	- 192	- 192	- 192
Health Services Research	- 89	- 222	- 222	- 222	- 222
Total	- 1,655 1/	- 768	- 768	- 768	- 768
End of Year:					
Medical Research	354	354	354	354	354
Rehabilitative Research	192	192	192	192	192
Health Services Research	222	222	222	222	222
Total	768	768	768	768	768
Unobligated Balance Lapsing	175	...	...	...	...
Budget Authority:					
Medical Research	115,388	127,680	126,290	140,523	132,535
Rehabilitative Research	7,306	9,140	8,713	10,185	9,421
Health Services Research	3,153	3,250	3,245	4,673	3,743
Total	125,847	140,070	138,248	155,381	145,699
Obligated Balance:					
Beginning of Year	+ 24,486 2/	+ 18,765	+18,765	+ 19,019	+19,019
End of Year	- 18,765	- 19,019	-19,019	- 19,019	-19,019
Outlays	132,281	139,816	137,994	155,381	145,699

1/ Includes $1,173,000 unobligated balance transferred from Consolidated Working Fund.
2/ Includes $196,000 transferred to this account.

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Medical Research - Summary of Employment and Costs by Object

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
Employment (Average FTEE):					
Physicians	184	203	203	213	213
Dentists	17	18	18	18	18
Nurses	113	110	110	120	120
Research Psychologists	87	82	82	82	82
Wage Rate Employees	186	197	197	197	197
Purchase and Hire	2	1	1	1	1
Other Personnel	3,575	3,563	3,539	3,663	3,439
	4,164	4,174	4,150	4,294	4,070
Average Payroll Cost	$21,063	$22,961	$22,864	$22,954	$ 22,875
Costs by Object:		(dollars in thousands)			
10 Personal Services and Benefits:					
Physicians	$ 8,354	$ 9,932	$ 9,932	$10,189	$ 10,189
Dentists	869	956	956	986	986
Nurses	2,496	2,746	2,746	2,996	2,996
Research Psychologists	3,087	3,396	3,396	3,430	3,430
Wage Rate Employees	3,154	3,870	3,870	3,909	3,909
Purchase and Hire	59	65	65	65	65
Other Personnel	69,673	74,858	73,903	76,971	71,507
Sub., Real Estate, etc.	16	18	18	18	18
Sub-Total	87,708	95,841	94,886	98,564	93,100
21 Travel & Transportation of Persons:					
Employee Travel	963	1,249	1,149	1,464	1,364
Beneficiary Travel	155	156	156	162	162
Interagency Motor Pool	19	17	17	21	21
Other	16	29	29	33	33
Sub-Total	1,153	1,451	1,351	1,680	1,580
22 Transportation of Things	283	286	286	314	314
23 Communication, Utilities, and Other Rent	1,020	1,127	1,127	1,271	1,271
24 Printing & Reproduction	212	234	234	250	250
25 Other Services:					
Repair to Furn. & Equip.	1,141	1,135	1,135	1,387	1,135
Other Contractual Services.	6,209	6,621	6,621	6,749	6,544
Sub-Total	7,350	7,756	7,756	8,136	7,679
26 Supplies & Materials:					
Office Supplies	276	248	248	324	324
Drugs, Medicines & Chemicals	3,210	2,883	2,883	3,777	3,777
Other Med. & Dental Supplies	6,967	6,258	6,258	9,327	8,860
Operating Supplies & Materials	4,169	3,903	3,903	6,457	5,457
Maint. Supplies & Materials	333	299	299	341	341
Sub-Total	14,955	13,591	13,591	20,226	18,759
31 Equipment:					
Furniture and Fixtures	142	191	191	202	202
Med., Dental & Scientific Equip.	12,684	12,409	12,074	14,248	13,748
Utility & Operating Equip.	363	502	502	1,022	1,022
Sub-Total	13,189	13,102	12,767	15,472	14,972
32 Lands and Structures	1,160	1,492	1,492	1,810	1,810
Total Costs	127,030	134,880	133,490	147,723	139,735

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19-48U

REHABILITATIVE RESEARCH

SUMMARY OF EMPLOYMENT AND COSTS BY OBJECT

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
Employment (Average FTEE)	91	143	109	155	109
Average Payroll Cost.....	$ 23,912	$ 23,937	$27,734	$ 24,000	$27,927
Costs by Object:	(dollars in thousands)				
10 Personal Services and Benefits					
Other Personnel.....	$ 2,176	$ 3,423	$ 3,023	$ 3,720	$ 3,044
21 Travel and Transp. of Persons:					
Employee Travel.....	46	50	23	80	53
All Other.....	2	5	5	5	5
Sub-Total.....	48	55	28	85	58
22 Transportation of Things....	11	13	13	15	15
23 Communication, utilities, and other rent.....	19	23	23	25	25
24 Printing & Reproduction.....	39	47	47	51	51
25 Other Services					
Other Contractual Svcs...	3,635	3,609	3,609	4,069	4,008
26 Supplies & Materials					
Offices Supplies.....	7	10	10	10	10
Prosthetic Supplies.....	12	14	14	16	16
Operating Supplies & Materials.....	468	567	567	618	618
Sub-Total.....	487	591	591	644	644
31 Equipment:					
Med., Dent., & Scientific Equipment.....	950	1,150	1,150	1,254	1,254
Other.....	100	121	121	132	132
Sub-Total	1,050	1,271	1,271	1,386	1,386
32 Lands and Structures.....	89	108	108	190	190
Total Costs.....	7,554	9,140	8,713	10,185	9,421

HEALTH SERVICES RESEARCH

SUMMARY OF EMPLOYMENT AND COSTS BY OBJECT

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
Employment (Average FTEE):					
Physicians	4	4	4	4	4
Nurses	5	5	5	5	5
Other Personnel	96	117	101	143	105
Total	105	126	110	152	114
Average Payroll Cost	$ 20,133	$ 17,706	$20,282	$ 23,217	$22,684
Costs by Object:	(dollars in thousands)				
10 Personal Services and Benefits					
Physicians	$ 179	$ 189	$ 189	$ 199	$ 199
Nurses	102	108	108	114	114
Other Personnel	1,833	1,934	1,934	3,216	2,273
Total	2,114	2,231	2,231	3,529	2,586
21 Travel and Transp. of Persons:					
Employee Travel	25	37	32	42	37
Interagency Motor Pool	3	5	5	5	5
All Other	12	...	...	...	...
Sub-Total	40	42	37	47	42
22 Transportation of Things	3	1	1	1	1
23 Communication, Utilities, and Other Rent	9	10	10	10	10
24 Printing & Reproduction	4	4	4	4	4
25 Other Services					
Other Contractual Svcs	690	729	729	822	840
26 Supplies & Materials					
Offices Supplies	101	106	106	118	118
31 Equipment	120	127	127	142	142
32 Lands and Structures	...	...	...	...	...
Total Costs	3,081	3,250	3,245	4,673	3,743

VETERANS ADMINISTRATION
MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

Appropriation Highlights

	1980	1981		1982	
	Actual	January	Revised	January	Revised
Major Programs by Activity:		(dollars in thousands)			
Medical Administration.....	$35,674	$42,017	$41,335	$50,698	$46,923
Postgraduate & Inservice Training	10,031	10,750	9,924	12,324	10,702
Exchange of Medical Information..	2,500	1,550	1,550	1,550	775
Appropriation.....	48,205	54,317	52,809	64,572	58,400
Obligations.....	47,047	54,317	52,809	64,572	58,400
Costs.....	48,320	54,317	52,809	64,572	58,400
Outlays.....	50,052	54,267	52,759	64,572	58,400
Average Employment(jurisdictional)	831	853	839	928	866

MEDICAL ADMINISTRATION

COMPARATIVE ANALYSIS OF AVERAGE EMPLOYMENT AND COSTS

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
AVERAGE EMPLOYMENT:					
Nurses	17	18	18	18	18
Dentists	11	11	11	11	11
Physicians	51	52	52	52	52
Clin. & Couns. Psychologists	5	5	5	5	5
Other Employees	747	767	753	842	780
TOTAL EMPLOYMENT	831	853	839	928	866
	COSTS (dollars in thousands)				
10 PERSONNEL COMPENSATION AND BENEFITS:					
Nurses	$ 842	$ 905	905	$ 915	915
Dentists	639	838	838	846	846
Physicians	3,397	5,009	5,009	5,059	5,059
Clin. & Couns Psychologists.	214	230	230	233	233
Other Employees	21,898	24,149	23,918	27,787	25,635
Sub-Real Estate, etc	289	218	218	224	224
Sub-Total (Object 10)..	27,279	31,349	31,118	35,064	32,912
21 TRAVEL & TRANSP OF PERSONS:					
Employee Travel	1,223	1,664	1,490	1,670	1,630
Interagency Motor Pool	27	30	30	30	30
All Other	12	11	11	18	11
Sub-Total (Object 21)...	1,262	1,705	1,531	1,718	1,671
22 TRANSPORTATION OF THINGS	183	139	139	156	156
23 COMMUNICATIONS, UTILITIES AND OTHER RENT:					
Communications	1,349	1,622	1,622	1,804	1,692
Equipment Rentals	135	161	161	220	220
Sub-Total (Object 23)...	1,484	1,783	1,783	2,024	1,912
24 PRINTING AND REPRODUCTION	606	587	587	666	666
25 OTHER SERVICES:					
Misc. Contractual Services..	2,632	3,284	3,209	5,065	4,431
Personal Service Contracts..	262	265	232	600	353
Repair of Furn. and Equip...	58	60	60	75	75
Data Processing Services....	537	1,558	1,558	3,720	3,469
Sub-Total (Object 25)...	3,489	5,167	5,059	9,460	8,328
26 SUPPLIES AND MATERIALS:					
Operating Supplies	180	351	351	420	336
Books and Periodicals	136	170	170	210	168
Office Supplies	75	80	80	186	149
Sub-Total (Object 26)...	391	601	601	816	653
31 EQUIPMENT	368	686	517	794	625
TOTAL COSTS	35,062	42,017	41,335	50,698	46,923

POSTGRADUATE AND INSERVICE TRAINING

COMPARISON OF TYPE OF EXPENSE AND COSTS BY OBJECT

	1980 Actual	1981 January	1981 Revised	1982 January	1982 Revised
		(dollars in thousands)			
TYPE OF EXPENSE:					
Tuition and Registration	$ 1,794	$ 1,739	1,739	$ 1,661	1,739
Lectures & Workshops	1,066	1,432	1,432	2,289	1,517
Educational Assignments Requiring Travel	6,527	6,950	6,239	8,092	7,017
Training Equipment, Supplies and Services	1,118	629	514	282	429
TOTAL	10,505	10,750	9,924	12,324	10,702
COST BY OBJECT:					
21 Travel & Transp. of Persons:					
Employee Travel	6,520	6,936	6,225	8,082	7,007
Other Employee Transp.	7	14	14	10	10
Sub-Total	6,527	6,950	6,239	8,092	7,017
22 Transportation of Things	2	4	4	4	4
23 Communications, Utilities, and Other Rent	18	15	15	15	15
24 Printing & Reproduction	8	10	10	10	10
25 Other Svcs. Misc. Cont. Svcs:					
Misc. Contractual Svcs	503	788	788	1,258	834
Personal Services Contracts	563	644	644	1,031	683
Tuition - Fed/Non-Fed	1,794	1,739	1,739	1,661	1,739
Sub-Total (Object 25)	2,860	3,171	3,171	3,950	3,256
26 Supplies and Materials:					
Operating Supplies	147	108	108	47	81
Books, Periodicals, Audio-video	475	240	240	152	262
Office Supplies	9	2	2	4	7
Sub-Total (Object 26)	631	350	350	203	350
31 Equipment: (Medical, Dental, Scientific and Technical Equipment)	459	250	135	50	50
TOTAL COST	10,505	10,750	9,924	12,324	10,702

EXCHANGE OF MEDICAL INFORMATION

COMPARISON BY TYPE OF EXPENSE AND COSTS BY OBJECT

	1980	1981		1982	
	Actual	January	Revised	January	Revised
	(dollars in thousands)				
Type of Expense:					
Educational Grants	$ 849	$ 450	450	$ 500	250
Training Equipment, Supplies & Svcs	1,835	910	910	865	440
Educ. & Administrative Travel Assignments	69	190	190	185	85
TOTAL	2,753	1,550	1,550	1,550	775
COSTS BY OBJECT:					
21 Travel & Transp. of Persons :					
Employee Travel	$ 69	$ 190	$ 190	$ 185	$ 85
22 Transportation of Things	1	1	1	3	3
23 Communications, Utilities, and Other Rent	5	7	7	3	3
24 Printing & Reproduction	19	3	3	3	3
25 Other Services:					
Misc. Contractual Services.	399	216	216	208	108
Personal Svcs. Contracts	237	100	100	94	94
Tuition-Federal/Non Fed	14	9	9	9	9
Subtotal (Object 25)	650	325	325	311	211
26 Supplies and Materials:					
Operating Supplies	142	104	104	104	79
Books, Periodicals, Audiovisuals	18	20	20	20	20
Office Supplies	3	21	21	21	21
Subtotal (Object 26)	213	145	145	145	120
31 Equipment	947	429	429	400	100
41 Grants	849	450	450	500	250
TOTAL COSTS	2,753	1,550	1,550	1,550	775

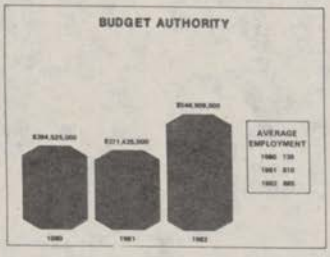
CONSTRUCTION PROGRAMS

The Veterans Administration's Construction Program is funded by two appropriations - Construction, Major Projects and Construction, Minor Projects.

The Construction, Major Projects appropriation provides for constructing, altering, extending and improving any VA facility, including planning, architectural and engineering services, and site acquisition, where the estimated cost of a project is $2,000,000 or more, or where funds for a project were made available in a previous major project appropriation.

The Construction, Minor Projects appropriation provides for constructing, altering, extending and improving any VA facility, including planning, architectural and engineering services, and site acquisition, where the estimated cost of a project is less than $2,000,000 and for costs of the Office of Construction.

Budget authority for FY 1982 is $175,484 above the FY 1981 level.



Budget Authority
($'s in thousands)

Activity	1980	1981	1982 January Budget	1982 Revised	Change Rev (-) Jan Bud	Change Rev (+)or(-) 1981
Replacement and modernization	$150,060	$-32,625[1]	$141,741	$ 81,649	- 60,092[3]	+114,274
Nursing home care	...	53,669	65,350	65,350	...	+ 11,681
Domiciliaries	...	10,090	...	...	...	- 10,090
Research and education	9,745	16,351	3,180	...	- 3,180[3]	- 16,351
Outpatient improvements	10,626	25,706	107,000	107,000	...	+ 81,294
Other improvements	185,225	257,127	293,069	255,341	- 37,728[3]	- 1,786
National cemeteries	13,571	5,122	6,390	6,390	...	+ 1,268
Computer centers, additions and alterations	...	1,322	...	...	...	- 1,322
Regional office, replacement or renovation	1,468	7,416	...	...	...	- 7,416
Reprogrammings applied	...	...	...	...	...	...
Subtotal, construction	370,695	344,178	616,730	515,730	-101,000	+171,552
General administration	23,830	27,247[2]	33,179	31,179	- 2,000	+ 3,932
Total	394,525	371,425	649,909	546,909	-103,000	+175,484

1/ Reflects rescission in FY 1981 of unexpended prior year funding for Baltimore, MD and Camden, NJ projects.

2/ Includes pay raise supplemental of $903,000.

3/ Reductions represent deferral of 4 projects for which funding was requested in FY 1982 (total deferral included 9 projects), and rescission of escalation funding requested in FY 1982 for Baltimore, MD.

ITEM	Budget Authority Effects FY 1981 (Dollars in Thousands)	FY 1982
Construction Major Projects		
Cancellation of Baltimore and Camden Hospital Projects	-$162,160	-$ 8,000
Deferral of 9 Projects Brooklyn (St. Albans), NY - Laundry Chillicothe, OH - Modernization Denver, CO - Clinical Addition East Orange, NJ - Environ. Improvements Gainesville, FL - Clinical Improvements Long Beach, CA - Research New Orleans, LA - Clinical Addition Palo Alto, CA - Surgical Addition Washington, D.C. - NHC/Parking Garage	-0-	- 65,586
Energy Conservation	-0-	+ 2,586
TOTAL CONSTRUCTION MAJOR PROJECTS	-$162.160	-$71.000
Construction Minor Projects		
Minor Projects	-0-	-$30,000
General Administration (Employment)	-$ 400 (-14 FTE)	- 2,000 (-61 FTE)
TOTAL CONSTRUCTION MINOR PROJECTS	- 400	- 32,000
TOTAL CONSTRUCTION PROGRAM	-$162,560	-103,000

Budget Authority and Obligations
($'s in thousands)

			1982		Change	
	1980	1981	January Budget	Revised	Rev (-) Jan Bud	Rev (+)or(-) 1981
Budget Authority	$ 394,525	371,425	649,909	546,909	-103,000	+175,484
Unobligated Balance:						
Beginning of Year	+1,009,307	+942,047	+902,456	+881,287	- 21,169	- 60,760
End of Year	- 942,047	-881,287	-762,944	-829,838	- 66,894	+ 51,449
Obligations	461,785	432,185	789,421	598,358	-191,063	+166,173

Average Employment

	1980	1981	1982 January Budget	1982 Revised	Change Rev (-) Jan Bud	Change Rev (+)or(-) 1981
General Administration...	688	735	851	790	-61	+55
Construction funds (Purchase and Hire)	42	75	75	75	...	...
Total Average Employment	730	810	926	865	-61	+55

Long range planning has identified the need for an expanded construction program to keep pace with the space, functional, and safety deficiencies that exist within the Veterans Administration medical system. To assure timely development of projects to correct these deficiencies, additional planning funds and personnel are included in the FY 1982 request. Advance planning funds in the amount of $16,500,000 are proposed to provide for preliminary development of major construction projects. An increase of 55 in average employment is also proposed. This increase will provide personnel necessary for the expanded project planning effort. Included in the request are additional personnel for planning, technical and management support, and onsite resident engineer staffing.

General Administration

General Administration, funded from the Construction, Minor Projects appropriation, provides for the expenses of the Office of Construction. This office is responsible for planning, administration, design and construction supervision, the construction research and development program, and related staff activities.

Obligations
($'s in thousands)

Personal Services.....	$20,280	$23,161	$28,004	$26,064	-1,940	+2,903
Travel and Transportation of Persons.....	672	985	1,246	1,206	- 40	+ 221
Other Services.....	2,416	3,660	3,929	3,909	- 20	+ 249
Total.....	23,368	27,806	33,179	31,179	-2,000	+3,373

CONSTRUCTION, MAJOR PROJECTS

Budget Authority
($'s in thousands)

Location	Description	Total Est. Cost	Avail Thru FY 1981	FY 1982 Request	Future Consideration
A. Medical Projects					
Replacement and Modernization:					
Albuquerque, NM	New Cl. Service & Bed Building	115,000	...	11,500	103,500
Birmingham, AL	Cl. Addn. & Ward Mod.	55,300	...	5,600	49,700
Portland, OR	Replacement Hospital	176,100	141,271	34,829	...
Seattle, WA	Replacement Hospital	128,900	90,620	29,720	8,560
	Subtotal	475,300	231,891	81,649	161,760
Nursing Home Care:					
Ann Arbor, MI	120-Bed NHC	9,500	...	9,500	...
Dallas, TX	120-Bed NHC	8,500	7,850	650	...
Denver, CO	60-Bed NHC	6,500	...	6,500	...
Fresno, CA	60-Bed NHC	5,600	...	5,600	...
Lake City, FL	120-Bed NHC	9,100	...	9,100	...
Los Angeles, CA (WADS)	120-Bed NHC Conversion	6,800	...	6,800	...
Marion, IL	60-Bed NHC	5,800	...	5,800	...
Spokane, WA	60-Bed NHC	6,000	...	6,000	...
Tampa, FL	120-Bed NHC	10,600	...	10,600	...
Wichita, KS	60-Bed NHC	4,800	...	4,800	...
	Subtotal	73,200	7,850	65,350	...
Outpatient Improvements:					
Lincoln, NB	O/P Addition	9,200	...	9,200	...
Marion, IL	O/P Addition	11,400	...	11,400	...
Miami, FL	O/P Addition, Renov. & SCI Relocation	49,000	...	49,000	...
Muskogee, OK	O/P Addition	10,100	...	10,100	...
Tuscaloosa, AL	O/P Addition	16,900	...	16,900	...
Wichita, KS	Renovate for O/P	10,400	...	10,400	...
	Subtotal	107,000	...	107,000	...
Other Improvements:					
Advance Planning Fund					
Various Stations		16,000	...	16,000	...
	Subtotal	16,000	...	16,000	...

CONSTRUCTION, MAJOR PROJECTS, CONT'D.

($'s in thousands)

Location	Description	Total Est. Cost	Avail Thru FY 1981	FY 1982 Request	Future Consideration
General Projects					
Atlanta, GA	Warehouse & Eng. Bldg.	1,950	110	1,840	...
Brooklyn, NY	Air, Oxygen, Vacuum Sys.	3,900	1,136	2,764	...
Hines, IL	Supply Depot Expansion	9,000	...	9,000	...
Louisville, KY	Med. Gases, Nurse Call Syatem, Patient Privacy	3,700	...	3,700	...
	Subtotal	18,550	1,246	17,304	...
Clinical Improvements:					
Danville, IL	Relocate/Expand PAD	6,400	...	6,400	...
Memphis, TN	SCI Building & R/E	34,000	...	34,000	...
St. Louis, MO	Cl. Addn./Ward Renov. New Amb. Care Bldg.	45,500	2,079	43,421	...
Wood, WI	Relocate Nuclear Med.	1,700	128	1,572	...
	Subtotal	87,600	2,207	85,393	...
Energy Conservation:					
Various Stations		12,723	...	12,723	...
	Subtotal	12,723	...	12,723	...
Elimination of Safety Hazards:					
San Antonio, TX	Sprinkler/Horizontal Exits & Correct Fire & Safety Defic.	5,700	...	5,700	...
Sepulveda, CA	Eliminate Fire and Safety Defic.	8,000	1,614	6,386	...
	Subtotal	13,700	1,614	12,086	...
Correction of Seismic Deficiencies:					
Fresno, CA	Corr. of Seismic Def.	4,600	2,950	1,650	...
Palo Alto, CA (MPD)	Corr. of Seismic Def. (Center Core Bldg.)	30,200	3,015	27,185	...
	Subtotal	34,800	5,965	28,835	...

CONSTRUCTION, MINOR PROJECTS

($'s in thousands)

Construction Projects	January Budget	Revised	Rev. (-) Jan. Bud.
Research and Education	$ 2,380	$ ...	$- 2,380
Other Improvements:			
General Projects: Various Stations	32,216	13,671	-18,545
Miscellaneous Projects $100,000 - $400,000: Various Stations	49,774	47,814	- 1,960
Clinical Improvements: Various Stations	12,255	7,940	- 4,315
Correction of Electrical Deficiencies: Various Stations	4,900	4,900	...
Elimination of Safety Hazards: Various Stations	7,810	7,810	...
Elevators: Various Stations	3,665	865	- 2,800
Sub-Total - Medical Programs	113,000	83,000	-30,000
National Cemetery Program: Various Stations	2,800	2,800	...
Total - Construction Program	115,800	85,800	-30,000
General Administration:	33,179	31,179	- 2,000
Total - Construction, Minor Request	148,979	116,979	-32,000

CONSTRUCTION, MAJOR PROJECTS, CONT'D.

($'s in thousands)

Location	Description	In Thousands of Dollars: Total Est. Cost	Avail Thru FY 1981	FY 1982 Request	Future Consideration
B. National Cemetery Program					
Construction Major:					
Ft. Snelling, MN	Develop 29 Acres and Additional Facil.	5,800	...	580	5,220
Region V Nat. Cem.	Dev. 115 Acres Admin/Svc. Bldg.	6,000	4,000	2,000	...
Riverside, CA	Dev. 57 Acres, PH III	5,100	...	510	4,590
Various Stations	Advance Planning Fund	500	...	500	...
	Subtotal	$17,400	$4,000	$3,590	$9,810
TOTAL CONSTRUCTION MAJOR		$856,273	$254,773	$429,930	$171,570

CONSOLIDATED SUMMARY OF 1982 REQUEST
(In Thousands of Dollars)

CONSTRUCTION PROJECTS:

A. Medical Program:	
Replacement and Modernization	$ 81,649
Nursing Home Care	65,350
Outpatient Improvements	107,000
Other Improvements	255,341
Advance Planning Fund	(16,000)
General Projects	(30,975)
Miscellaneous Projects $100,000 - $400,000	(47,814)
Clinical Improvements	(93,333)
Elevators	(865)
Correction of Seismic Deficiencies	(28,835)
Elimination of Safety Hazards	(19,896)
Correction of Electrical Deficiencies	(4,900)
Energy Conservation	(12,723)
Sub-Total - Medical Programs	509,340
B. National Cemetery Program	6,390
C. General Administration	31,179
Net Appropriation Request	$ 546,909

SUMMARY OF MARCH REVISIONS

ITEM		(Dollars in Thousands) Effects FY 1981	FY 1982
Construction Major Projects			
Cancellation of Baltimore and Camden Hospital Projects	BA	-$162,160	-$ 8,000
	Outlays	- 16,000	- 41,000
Deferral of 9 Projects: Brooklyn (St. Albans), NY - Laundry; Chillicothe, OH - Modernization; Denver, CO - Clinical Addition; East Orange, NJ - Environ. Improvements; Gainesville, FL - Clinical Improvements; Long Beach, CA - Research; New Orleans, LA - Clinical Addition; Palo Alto, CA - Surgical Addition; Washington, D.C. - NHC/Parking Garage	BA	-0-	- 65,586
	Outlays	- 12,000	- 50,000
Energy Conservation	BA	-0-	+ 2,586
	Outlays	-0-	+ -0-
TOTAL CONSTRUCTION MAJOR PROJECTS	BA	-$162,160	-$71,000
	Outlays	- 28,000	- 91,000
Construction Minor Projects			
Minor Projects	BA	-0-	-$30,000
	Outlays	-0-	- 6,000
General Administration (Employment)	BA	-$ 400 (-14 FTE)	- 2,000 (-61 FTE)
	Outlays	- 400	- 2,000
TOTAL CONSTRUCTION MINOR PROJECTS	BA	- 400	- 32,000
	O	- 400	- 8,000
TOTAL CONSTRUCTION PROGRAM	BA	-$162,560	-103,000
	O	-$ 28,400	- 99,000

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CONSTRUCTION, MAJOR PROJECTS

Appropriation Language

"For constructing, altering, extending and improving any of the facilities under the jurisdiction or for use of the Veterans Administration, or for any of the purposes set forth in sections 1004, 1006, 5002, 5003, 5006, 5008, 5009, 5010 of title 38, United States Code, including planning, architectural and engineering services and site acquisition where the estimated cost of a project is $2,000,000 or more or where funds for a project were made available in a previous major project appropriation. [261,614,000] $429,930,000 to remain available until expended: Provided, That except for advance planning of projects funded through the Advance Planning Fund none of these shall be used for any project which has not been considered and approved by the Congress in the budgetary process."

Appropriation/Fund Highlights

	FY 1980 Actual	1981 Estimated	1982 Estimate	Increase (+) Decrease (-)
		(Dollars in Thousands)		
Appropriation	321,292	261,614	429,930	+ 168,316
New Budget Authority	321,292	261,614	429,930	+ 168,316
Obligations	382,761	334,113	492,788	+ 158,675
Cost	182,713	267,159	403,945	+ 136,786
Outlays	189,506	248,965	352,143	+ 103,178
Average Employment	8	23	23	...

Changes from Original 1981 Budget Estimate
(Dollars in Thousands)

	1981 Budget Estimate	1981 Current Estimate	Increase (+) Decrease (-)
Appropriation	519,354	261,614	-254,740
Obligation	522,373	334,113	-188,260
Cost	271,023	267,159	- 3,864
Outlays	263,021	248,965	- 14,056

The decrease in appropriation reflects Congressional action on the FY 1981 budget and the decision to cancel the Baltimore and Camden hospital projects. The changes in estimated obligations, costs, and outlays are based on revised schedules and cost estimates for contract awards during FY 81 and actual contractor bids received over the last year.

Inflation Policy

For major construction projects, in general, the project cost summary in each prospectus shows costs as of the date of completion of preliminary drawings (base date) plus an allowance for projected inflation. The factors used to compute the projected inflation are: 13% per year from the base date to the end of FY 1980, 12% per year for FY 1981, and 11% thereafter.

Project Combinations/Cancellations

Various projects have been cancelled and/or combined with other projects for construction. These actions have been taken in situations where more than one project impacted the same area within the medical center, or where projects involved related functions. By making these changes, cost savings result from elimination of duplication of work, and disruption to medical center functions is minimized. Projects have been cancelled in cases where alternate solutions to a deficiency have been identified or in cases where the project has been combined with another for completion, as noted above. Each affected project is noted below. A previously requested combination of projects at Denver, CO is no longer shown because of a deferral of the Denver Clinical Addition project.

Location	Description	Previous Estimated Cost	Combined Estimated Cost
		(Dollars in Thousands)	
Baltimore, MD	* Replacement Hospital	$104,460	Cancelled
Bay Pines, FL	Replacement Hospital	110,000	
	Replace Boiler Plant	1,985	
New Title:	Replacement Hospital		$111,985
Brooklyn, NY	* Outpatient Clinic	4,469	Cancelled
Camden, NJ	Replacement Hospital	75,300	Cancelled
Canandaigua, NY	Renovate Patient Buildings	3,716	
	Deadend Corridor Stairs	4,932	
New Title:	Safety & Fire Deficiencies & Renovate Patient Building		8,648
Castle Point	Central Air Condition	7,405	
	Upgrade Primary Distribution System	1,260	
New Title:	Central Air Condition and Upgrade Primary Distribution System		8,665
Cincinnati, OH	Clinical Expansion	9,800	
	Two Elevators	1,720	
New Title:	Clinical Expansion & Two Additional Elevators		11,520
Durham, NC	* Multi-story Parking Garage	4,281	Cancelled
Indiantown Gap National Cemetery, PA	Memorial Center	575	Cancelled

Changes from Original 1981 Budget Estimate (Cont'd)

Location	Description	Previous Estimated Cost	Combined Estimated Cost
		(Dollars in Thousands)	
Massachusetts National Cemetery, MA	Memorial Center	575	Cancelled
Oklahoma City, OK	Clinical Addition	37,687	
	Safety & Fire Deficiencies	1,501	
New Title:	Clinical Addition, Mod. and Safety and Fire Deficiencies		39,188
Quantico National Cemetery, VA	Memorial Center	575	Cancelled
Riverside National Cemetery, CA	Memorial Center	575	Cancelled
St. Louis, MO	* Clinical Addition	43,421	
	Ambulatory Care	2,079	
New Title:	Clinical Addition, Ward Renovation New Ambulatory Care Building		45,500
Salem, VA	* Renovate Building 7	4,038	Cancelled
Shreveport, LA	Ambulatory Care Addition	1,551	Cancelled
Syracuse, NY	* Multi-story Parking Garage	2,978	Cancelled

* Estimated costs shown for these projects do not represent amounts already appropriated.

GENERAL ADMINISTRATION

The General Administration activity of the Construction Minor Projects Appropriation provides for all the cost of the Office of Construction in FY 1982.

The General Administration costs consist of salaries and related expenses of the personnel of the Office of Construction engaged in the (1) design and construction of Veterans Administration medical centers, domiciliaries and other facilities, and (2) acquisition, utilization, and disposition of VA real property.

The architect-engineer contract costs and the salaries and related costs of the labor force hired by the VA for construction projects are funded as part of the construction major or minor project costs, as applicable, (average employment under these construction funds is as follows: 1980-42; 1981-75; 1982-75).

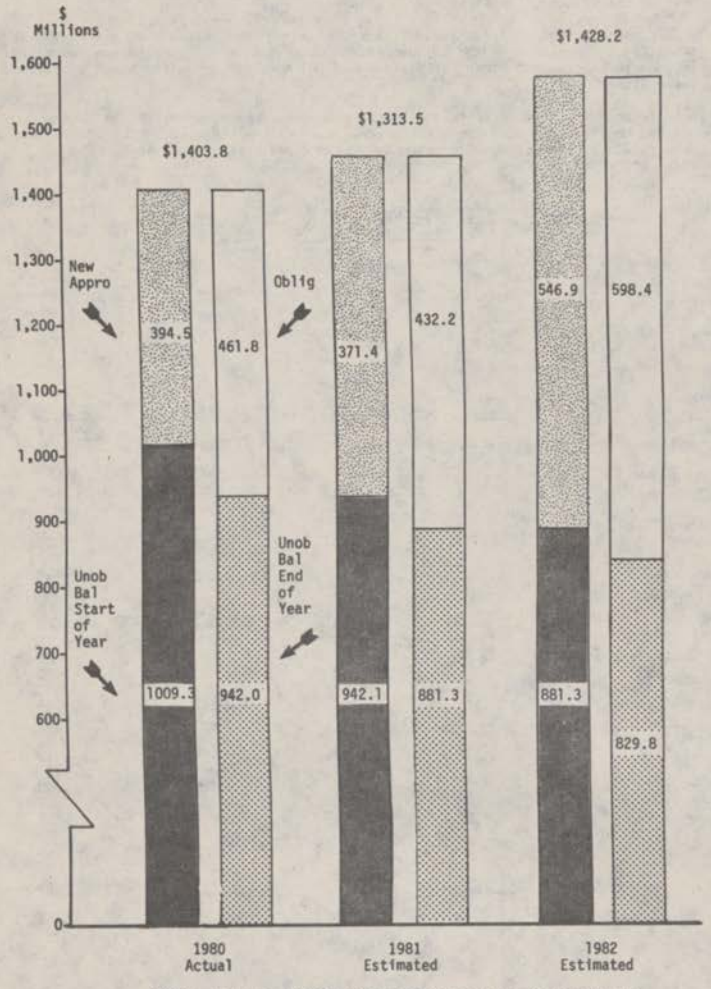
SUMMARY OF OBLIGATED REQUIREMENTS BY OBJECT FOR GENERAL ADMINISTRATION

(In Thousands of Dollars)

	1980 Actual	1981 Estimate	1982 Estimate	Diff. FY 82 Over FY 81
Average Employment	688	735	790	+55
Obligations				
Personnel Compensation	$18,421	$20,846	$23,321	$+2,475
Permanent positions	(18,118)	(20,399)	(22,696)	(+2,297)
Positions other than permanent	(88)	(121)	(144)	(+23)
Other personnel compensation	(215)	(326)	(481)	(+155)
Personnel benefits	1,859	2,315	2,743	+428
Total pers. comp. and benefits	20,280	23,161	26,064	+2,903
Travel and transportation of persons	672	985	1,206	+221
Transportation of things	146	201	240	+39
Rent, communication and utilities	432	523	494	-29
Printing and reproduction	337	250	340	+90
Other services	1,055	2,159	2,275	+116
Supplies and materials	118	210	170	-40
Equipment	328	317	390	+73
Total Obligations	23,368	27,806	31,179	+3373

SPECIAL ANALYSES

Resources and Disposition of Funds



NOTE: Includes FY 1981 Supplemental request of $0.9 million.

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PART 20. GAO AUDIT REPORTS

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Submitted in accordance with section 236(2) of Public Law 91-510, approved October 26, 1970, the Legislative Reorganization Act of 1970.

1. DUPLICATE PAYMENTS FOR MEDICAL SERVICES BY VA AND MEDICARE PROGRAMS (HRD-80-10, October 22, 1979):

RECOMMENDATIONS:

GAO recommends that the Administrator of Veterans Affairs and the Secretary of HEW

--continue to recover the duplicate payments which GAO identified in Florida and California;

--find out how frequently duplicate payments are occurring throughout the Nation, not only for the three VA medical service categories GAO reviewed, but for all medical service categories available to eligible veterans;

--better coordinate the claims processing activities for patients who may be eligible for medical benefits from both programs; and

--identify dual-eligible individuals when they become eligible for both programs, perhaps by issuing unique identification cards or by adding a digit to their enrollment numbers.

If VA and HEW efforts show that the duplicate payment problem is widespread and involves significant dollar amounts, GAO recommends that the Administrator of Veterans Affairs

--consider changing VA's provider numbers and procedure codes to make them compatible with the Medicare program and to facilitate the identification of duplicate billings and duplicate payments;

--develop a standardized claim form which would require authorized providers to certify that no other Federal program would be billed for the same costs for the same services;

--issue timely reminders and sanctions to providers when dual billing and dual payments are found; and

--initiate procedures to fully consider the possibility of dual eligibility each time authorization for medical service outside the VA's health care system is requested or renewed.

ACTION TAKEN:

The only VA involvement in recouping duplicate payments consists of verifying the accuracy of duplicate payment records for the Department of Health and Human Services (HHS, formerly HEW) and this is done on a continuing basis.

In an effort to determine the volume of duplicate payments, VA and HHS are planning a matching program. VA has received a draft letter from HHS which specifies how the Agency will meet Office of Management and Budget (OMB) matching guidelines. This proposal is being reviewed by the Office of the General Counsel to determine if it is appropriate for VA to participate in a matching project.

Representatives of HHS and VA are still investigating methods to better coordinate claims processing activities for patients who may be eligible for medical benefits from both programs. HHS is of the opinion that about the only information which would be feasible for use in any matching project would be from the VA's FEE ADP System. This System only deals with statistics on outpatient medical and pharmacy services provided eligible veterans on a fee basis. It is not possible to estimate when an expansion of the FEE ADP System can be implemented to integrate the other fee and contract programs (dental, contract hospitalization, etc.). However, any expansion of the FEE ADP system would include an indicator of dual eligibility.

The VA has reservations about the recommendation that VA consider changing its provider number and procedure codes to make them compatible with those used by the Medicare program. This recommendation is somewhat confusing because the VA uses the Social Security number or the Employer Identification number and it would appear that the same numbers would be used by Medicare. The basis for VA's procedure codes is outlined in VA Manual M-1, Part I, Appendix 18A, which is now being revised by the Department of Medicine and Surgery. Procedure codes for the Medicare program are assigned by each state with no nationwide uniformity. Each state decides when these codes should be updated. Until some degree of nationwide uniformity is achieved among the states, VA and Medicare codes will not be compatible.

A committee has been established to design a standardized claim form for mandatory use by providers. A certification that no other Federal program will be billed for the same cost will be required on this form. It is anticiapted that such a form will be approved by OMB by mid-1981.

A requirement to issue timely reminders and sanctions to providers will be included in the revision of M-1, Part I, Chapter 18. The VA expects to complete this revision by the spring of 1981; other issues concerning the contract hospitalization program will be published soon thereafter. These reminders will also caution providers that no other Federal program should be billed for the same cost.

VA and HHS representatives have discussed the initiation of procedures to fully consider the possibility of dual eligibility each time authorization for medical service outside the VA's health care system is requested or renewed. VA will explore methods to accomplish this goal if it is determined VA can serve as a matching source for HHS.

BUDGET IMPLICATIONS:

VA will require additional ADP resources if the necessary changes are to be made to the FEE ADP System.

2. VETERANS ADMINISTRATION DECISION TO CLOSE THE SACRAMENTO LOAN GUARANTY OFFICE AND PLANNED STUDY OF OTHER LOAN GUARANTY OPERATIONS (HRD-80-16, November 1, 1979):

RECOMMENDATIONS:

GAO recommends that the Administrator direct the Chief Benefits Director, DVB, to expand the planned closure study of five small satellite loan guaranty offices to include all stations having loan guaranty operations with the intent of determining if present and projected workloads justify existing staff levels and, where practical, realign staffing in relation to workload.

ACTION TAKEN:

The VA did not concur in this recommendation since the operations and staffing of all VA Loan Guaranty offices are under constant review, especially during the annual budget process. This Agency believes current procedures adequately determine proper resource distribution.

BUDGET IMPLICATIONS:

None.

3. IMPLEMENTATION OF FEDERAL POLICY ON ACQUIRING AND DISTRIBUTING COMMERCIAL PRODUCTS IS FALTERING BADLY (PSAD-80-13, January 14, 1980):

RECOMMENDATIONS:

GAO recommends that the Administrator of Veterans Affairs complete the assigned task of implementing the commercial products policy by conducting adequate market research and analysis on all products procured with VA specifications.

ACTION TAKEN:

The VA concurred with the objective of GAO's recommendation and would be pleased to conduct a more sophisticated market research and analysis if resources permitted. In the meantime, the VA is exploring ways of expanding market research with current staffing and is continuing to refine the criteria. This Agency believes its approach has been adequate and has resulted in the most efficient, cost-effective manner of reducing the number of centrally managed (either centrally distributed or commercially distributed) inventory items.

At the present time, the VA is considering contractual assistance to develop a market research and analysis program, and to train Agency personnel.

BUDGET IMPLICATIONS:

If a decision is made to use contractual services, the cost is estimated at $50,000. This contract would also apply to report #11, HRD-80-9, June 30, 1980.

4. IMPROVING THE PRODUCTIVITY OF FEDERAL PAYMENT CENTERS COULD SAVE MILLIONS (FGMSD-80-13, February 12, 1980):

RECOMMENDATIONS:

GAO believes the correlation between the presence of measurement and high productivity is high at Federal payment centers. Therefore, individual departments and agencies should develop measures of productivity for payment centers.

GAO also recommends that departments and agencies examine the following potential areas of productivity improvement for possible implementation:

--Eliminate or consolidate payment centers which, due to low volume, cannot be made efficient. When agency total volume is small, agencies should consider obtaining payment center services through a larger agency.

--Use statistical sampling techniques in auditing payment transactions in accord with GAO requirements.

--Use alternatives to receiving reports, such as fast-pay procedures, where possible. Hold receiving activities accountable by accumulating accurate data on untimely submission of receiving reports, and the related cost (i.e., lost discounts and administrative costs), and take appropriate action to ensure timely submission where indicated.

--Analyze the processes and procedures used in examining payment transactions to identify and eliminate unnecessary or redundant steps.

--Initiate periodic exchange of information among individual payment centers within the agency and with other agencies to learn more efficient procedures and techniques.

ACTION TAKEN:

VA has a work performance measurement system at the Austin Data Processing Center (DPC). This system is monitored very closely by the staff at the DPC and the Controller's staff in VA Central Office. VA also has a work measurement system for each of the Department of Medicine and Surgery (DM&S) and Department of Veterans Benefits fiscal and finance operations, as well as the finance activity at our Hines DPC.

In 1973, VA centralized 36 stations into our Centralized Accounting for Local Management (CALM) automated system. An additional 12 stations have been included, bringing the current total to 48 stations. This was made possible by the work measurement system at the Austin DPC. The VA has 41 more stations which can be converted from Modified-CALM to Full-CALM.

Statistical sampling techniques are and will continue to be used as the VA increases efforts to ensure productivity improvement.

Since the GAO study was conducted, the VA has taken several steps to improve the payment activity at the Austin DPC. This Agency has conducted a complete review of methods and procedures, installed word processing equipment, and automated much of the microfilm and -fiche retrieval systems. A minicomputer system which will allow direct input from hard copy documents and eliminate the intermediate step of coding input is being installed. It is believed these changes will further improve VA's record of making efficient and timely payments.

The Office of the Controller publishes a bimonthly newsletter which is distributed to all financial operations activities within the VA. This newsletter disseminates information about current and future developments in the financial area, discusses operating processes and procedures, and provides an information link within the VA finance community. In addition, separate letters to all financial divisions and services identify individual productivity ratios in comparison with the national average. In the fall of 1980, staff members from the Controller's office visited the Department of Agriculture Payment Center to review their operation and explore more productive methods of making payments.

BUDGET IMPLICATIONS:

VA will need 70 FTE to convert an additional 41 DM&S stations from Modified-CALM to Full-CALM. These conversions will generate estimated savings of 178 FTE in DM&S. All other actions have been accomplished with existing resources.

5. NEW LEGISLATION AND STRONGER PROGRAM MANAGEMENT NEEDED TO IMPROVE EFFECTIVENESS OF VA'S VOCATIONAL REHABILITATION PROGRAM. (HRD-80-47, February 26, 1980):

RECOMMENDATIONS:

GAO recommends the Administrator of Veterans Affairs:

--Revise VA's vocational rehabilitation philosophy by (1) adopting the current professional view that the primary purpose of vocational rehabilitation is to help the client become a satisfactory and satisfied employee, (2) considering a revision of VA's regulations to emphasize the integrative use of diagnostic, medical, social, psychological, vocational, and other services needed to ensure maximum rehabilitation, and (3) giving priority to veterans with serious employment handicaps.

--Establish a single unit at the central office level to manage the vocational rehabilitation program and delegate to the head of this unit the authority and responsibility for overall direction, implementation, and control of the program from outreach to posttraining employment assistance and followup.

--Establish results-oriented goals and objectives for the program. These goals and objectives should state in precise, measureable terms the specific results/outcomes to be achieved by the program during a specified time frame with a given expenditure of resources.

--Revise VA's automated management information system to include routine collection and reporting of data (including posttraining employment data) the program manager needs to monitor and evaluate the program's effectiveness in achieving its stated objective of restoring lost employability.

--Develop and implement a comprehensive outreach plan of action to ensure that all service-disabled veterans are contacted and adequately informed of their potential eligibility for the program, with special emphasis on the more seriously disabled veterans.

--Implement the case-manager concept at the regional office level whereby one person is assigned the responsibility and held accountable for a veteran's case from point of application through employment placement,

including followup and posttraining adjustment counseling. Consider implementing the case-manager concept on a pilot basis in selected regional offices to iron out any organizational or operational difficulties that may arise, before nationwide implementation.

--Revise VA's regulations to require that regional office rehabilitation personnel determine and document the nature and extent of lost employability for each veteran as the primary basis for (1) determining which veterans need special rehabilitation services and (2) developing comprehensive training plans in which the prescribed rehabilitation services are tailored to each veteran's unique needs.

--Revise VA's regulations to require that all disabled veterans applying for a 100-percent "individually unemployable" rating be referred to the vocational rehabilitation unit for a comprehensive diagnostic evaluation of their rehabilitation and work potential before they are considered for the rating.

ACTION TAKEN:

Public Law 96-466, "Veterans' Rehabilitation and Education Amendments of 1980," was signed into law on October 17, 1980. Title I of this Law updates and expands the VA vocational rehabilitation program, and assures that service-connected disabled veterans will benefit from the latest concepts and methods developed in the field of rehabilitation. It also provides for all services necessary to enable service-disabled veterans to achieve maximum independence in daily living, and the maximum extent feasible to become employable, and to obtain and maintain suitable employment. Eligibility for an entitlement to services is organized around two basic concepts, employment handicap and serious employment handicap.

Department of Veterans Benefits (DVB) regulations are being reviewed and revised to assure that they conform with, and will carry out, provisions of the legislative change.

The Administrator authorized the reorganization of DVB's counseling and rehabilitation activities, effective October 1, 1980. The new organization will establish counterparts in Central Office and field stations with responsibility for vocational rehabilitation and educational assistance programs administered by DVB.

The Department of Medicine and Surgery (DM&S) works with DVB on the Rehabilitation Executive Board. This Board monitors the implementation of Agency-wide rehabilitation plans.

The VA's Vocational Rehabilitation Work Measurement Task Force has developed a proposal for a revised work measurement system and completed an analysis of comments received from field stations. The impact of the provisions of Public Law 96-466 on program functions is being assessed, and the work measurement proposal is being reviewed and revised to reflect these changes. A comprehensive work measurement study is proposed for FY 81.

Implementation of the recommendation that VA revise its automated management information system (AMIS) to include additional data has been initiated. The data base has been modified to reflect reorganization of certain end products, new emphasis involving outreach motivation and employment assistance, and the reorganization of counseling and rehabilitation activities. Other reports not processed through AMIS have also been restructured. DVB Circular 28-80-1 was issued to provide instructions to field stations on two specific end products needed to better reflect essential vocational rehabilitation work activities. These revisions established a separate work measurement end product for counseling determinations with disabled veterans, and another one specifically for employment assistance provided. The changes will be gradual as the VA continues to refine management information to support program accountability, quality control, work measurement and program management oversight.

The need to emphasize and more fully implement a comprehensive outreach program has been cited in several VA evaluation studies. A review of present manuals and other administrative issues indicates that mechanisms are in place to accomplish

the intent of the recommendation that VA develop and implement a comprehensive outreach plan. Therefore, increased emphasis has been placed on staff visits, reporting requirements, and training agenda. DVB is also developing procedures to specifically address VA's commitment to a comprehensive outreach plan of action for disabled veterans with multiple problems. Their Circular 22-80-24, "Restructuring Outreach, On-the-Job Training and Employment Assistance Under the Vocational Rehabilitation," establishes new procedures for outreach and followup. It stresses that priority will be given to personal contact with seriously disabled veterans and those with multiple problems. This supersedes previous policy which allowed station discretion in the nature and extent of outreach effort.

At the present time, DM&S outreach is limited to Veteran Centers which are involved in psychological readjustment of delayed stress syndrome. Future DM&S efforts for "Outreach Rehabilitation" will require further legislation.

The VA agreed with the recommendation to implement the case-manager concept. This concept has much promise for better management of the rehabilitation process. An October 29, 1979 VA Circular (00-79-55) implemented the case-manager concept in DVB and DM&S. DVB Circular 22-78-13, Appendix C, dated December 3, 1979, expanded the duties of the vocational rehabilitation specialists in VA regional offices (RO) to include problem-solving counseling assistance, case-management responsibilities, Career Development Center coordination, and other duties and responsibilities.

This Agency also concurred in the recommendation that VA revise its regulations to require that RO rehabilitation personnel determine and document the nature and extent of lost employability for each veteran as the primary basis for determining special rehabilitation services and developing comprehensive training plans tailored to each veteran's unique needs. VA regulations and program guidance materials are being reviewed and revised to assure they conform with and carry out legislative provisions affecting the vocational rehabilitation program. DVB Circular 28-80-3 informs field staff about changes to chapter 31, title 38, U.S.C. resulting from the enactment of Public Law 96-466. Appendices to this Circular, providing procedural instructions for implementing specific provisions of the Law, have been issued and others will be released as necessary.

DVB and DM&S have jointly developed procedures for comprehensive individual written rehabilitation plans (IWRPS). A DVB circular advises field stations of the Public Law 96-466 provisions pertaining to the IWRP. A DM&S policy circular has been drafted which makes temporary provisions for medical centers to adopt the above-mentioned rehabilitation plan. An Administrator's circular outlining joint DVB and DM&S procedures for developing and using the IWRP will be issued shortly.

The recommendation that VA revise its regulations to require that all disabled veterans applying for a 100 percent "individually unemployable" rating be referred to the vocational rehabilitation unit for a comprehensive diagnostic evaluation of their rehabilitation and work potential before consideration for the rating is no longer applicable. PL 96-466 deals with this issue in a different manner. Section 1522 provides for diagnostic evaluations following adjudication of a claim for unemployability, rather than as part of the adjudicative process.

BUDGET IMPLICATIONS:

As a result of Public Law 96-466, the purpose of the Veterans Administrations vocational rehabilitation program has been expanded to include securing meaningful employment for disabled veterans. In FY 81, the Department of Veterans Benefits plans to utilize 55 workyears and approximately $1.5 million to implement the revised vocational rehabilitation philosophy. The FY 82 Congressional Budget submission requests that the vocational rehabilitation program be expanded to 115 positions and $2.9 million.

6. PLANNED EXPANSION OF HINES SUPPLY DEPOT HAS NOT BEEN JUSTIFIED (PSAD-80-31, February 26, 1980):

RECOMMENDATIONS:

GAO recommends that the Administrator of Veterans Affairs direct the Chief Medical Director, DM&S, to

--delete the Hines Depot expansion project from the 1981 budget request;

--reassess Hines' need for space, considering the impact of the "buy commercial" policy, consulting with Marketing Center officials, and using reliable indicators of growth; and

--if the need for more space can be demonstrated, fully assess alternate solutions, considering all cost factors.

ACTION TAKEN:

The VA did not concur in the report recommendations and believes there is sufficient justification to proceed with the planned expansion of the Hines Supply Depot. Reliable data were used and the options GAO recommended were considered. This Agency will continue monitoring current developments and growth indicators as this project progresses. If, at any time, there is evidence that projections are invalid, withdrawal or delay of the project will be requested.

The revised expansion plan provides for a new fumigation room of 15,408 square feet, a vault of 20,736 square feet, and a receiving area of 36,720 square feet, totaling 72,864 net usable square footage. Expanded dock facilities are critically needed at the Hines Supply Depot. The present dock operation encourages errors, confusion, and theft because of the existing chaotic conditions. The projected plan is designed to maximize the effectiveness of the system for receiving, storing, and retrieving depot items, and provides a separation of shipping and receiving activities, additional dock space to increase the capacity for shipping, quicker selection of items while minimizing errors, and future storage requirements. Neither air-conditioning in the storage area nor an automated handling system is part of this plan.

The majority of the project cost is devoted to correcting existing deficiencies identified by the U. S. Department of Labor Occupational Safety and Health Administration, improving the heating and electrical systems to reduce energy consumption, and providing access for handicapped personnel, thereby allowing greater flexibility in hiring practices.

The number of line items was reduced from 2,148 to 1,755 during the period when the Depot expansion was planned. Although there was an approximate 3 percent positive reduction of line items handled, the real growth in inventory has increased by 7 percent. Fifty-two government agency customers were added to the Depot servicing list since the VA assumed distribution of nonperishable subsistence to all civil agencies. There has been an annual increase of approximately 3,000 tons of subsistence and supplies shipped and received. As was originally planned, an estimated 1,000 tons of that annual increase have now been transferred to the Bell, California Supply Depot, but all indications are that the demand for medical supplies and food will continue to increase despite progress in implementing the "buy commercial" policy.

In this project's preliminary planning phase, a consultant hired by the VA to calculate future space requirements not only used each year in the projection of increase in inventory growth, but weighted the factor by the ratio of the commodity mix. The consultant determined that there would be a real growth, both in inventory and sales, for the projected period.

Alternate solutions to VA's space needs at the Hines Supply Depot were considered and rejected. If the Depot were to increase inventory turnover by increasing sales, an increase in related shipping activities would result. In turn, more dock space would be needed. If VA cannot ship the orders as quickly as they are selected for shipment, the orders must remain in a consolidated area awaiting shipment. Therefore, a trade-off of storage area for shipping area would result.

Reducing inventory levels would result in increased procurement costs. A reduction in inventory level cannot be just a reduction in the size of the ordered quantity. It must completely eliminate line items because if the same number of line items is maintained, the cube footage required for storage would be reduced without affecting the square footage. In addition, smaller orders would be processed through the receiving area, requiring an increase in square footage because there would be more, but smaller, orders being processed. Consequently, storage space would be traded off for space in the receiving area.

Any suitable leasable storage space is between 3 to 5 miles from the Depot. The cost of leasing averages $2.80 per month per pallet, plus handling charges. Storing 10,000 pallets in leased space would cost the VA approximately $300,000 a year, excluding handling costs. Personnel and transportation costs would also be be incurred because additional personnel would be needed to transport items back and forth between the Depot and the leased storage area.

BUDGET IMPLICATIONS:

Funds for the Hines Supply Depot expansion were included in the FY 81 construction budget.

7. INCREASED USE OF EXPANDED FUNCTION DENTAL AUXILIARIES WOULD BENEFIT CONSUMERS, DENTISTS, AND TAXPAYERS (HRD-80-51, March 7, 1980):

RECOMMENDATIONS:

GAO recommends that the Administrator of Veterans Affairs expand the employment of Expanded Function Dental Auxiliaries to complete restorations in VA's dental care delivery system.

ACTION TAKEN:

The VA concurred in the recommendation that this Agency expand employment of Expanded Function Dental Auxiliaries (EFDA) and at this time, eight facilities are using EFDA's as dental care providers. By January 30, 1981, a total of nine facilities will employ EFDA teams, consisting of one EFDA and one Dental Assistant.

BUDGET IMPLICATIONS:

The total resource requirements to expand the EFDA program will be $562,000 and 30 average employment.

8. PROBLEMS IN ADMINISTERING THE SERVICEMEN'S GROUP LIFE INSURANCE PROGRAM IN THE READY RESERVE (FPCD-80-45, May 1, 1980):

RECOMMENDATIONS:

In order to have a more clearly defined and equitable program, GAO recommends that the Congress amend the Veterans Insurance Act. To assist the Congress, GAO recommends that the Administrator of Veterans Affairs

--submit to the House Committee on Veterans' Affairs his recommendations for an appropriate grace period for paying premiums; and

--study the possibility of increasing SGLI benefits and propose recommendations to the Congress.

GAO also recommends that the Administrator of Veterans Affairs submit proposals to the Congress as to

--whether new enlistees awaiting basic training should be eligible for SGLI; and
--whether an individual scheduled to perform inactive duty training should also be obligated to perform and complete such training to maintain elibility.

ACTION TAKEN:

The VA did not concur in the report recommendations. This Agency believes the first recommendation disregards the fact that an adjustment in premium rates is a separate issue from a legislative decision to increase the maximum coverage. The premium will continue to be based on the rate needed for a self-supporting program, notwithstanding any increase in the maximum amount of coverage. GAO suggests that most of the changes it recommends be predicated on proposals to be developed by the VA. However, recommendations such as increasing the maximum amount

of coverage, establishing an appropriate grace period preceding termination for nonpayment of premiums, and clarifying the eligibility criteria for coverage, involve matters which can be best evaluated by the Department of Defense (DoD). Although the SGLI program is supervised by the VA, it is, in fact, part of the DoD's total military benefits package.

The report states that the VA's position on eligibility of new enlistees awaiting basic training is that these enlistees must be in a pay status to be eligible for SGLI coverage. The VA position is that these enlistees are not entitled to full-time SGLI coverage because they do not meet the statutory qualifications for coverage in 38 U.S.C., 765(5)(B). The primary basis for VA's original determination of noncoverage was that they were not obligated to attend inactive duty training before initial active duty for training. The VA interprets the "will be scheduled" clause of section 765(5)(B) as not merely setting forth prospective requirements, but as expressing the imperative that there be a current obligation to perform the specified inactive duty before full-time coverage attaches.

The last recommendation relates to prior service members. VA believes the matter of coverage for any particular class or group is the primary responsibility of the Armed Forces. However, during the May 20, 1980 hearing before the Subcommittee on Compensation, Pension, Insurance and Memorial Affairs, VA expressed the intent to work with the appropriate officials from DoD in developing proposals concerning the various recommendations and problems discussed at the hearing and outlined in the Comptroller General's report. The VA and DoD plan to jointly develop proposals which would satisfactorily resolve the problems involving eligibility requirements, changes to basic coverage, and premium collections by the Uniformed Services.

BUDGET IMPLICATIONS:

None.

9. REASSESSMENT OF VETERANS ADMINISTRATION'S CONTROLS OVER DRUGS: MILLION-DOLLAR PROBLEM STILL EXISTS (HRD-80-86, June 24, 1980):

RECOMMENDATIONS:

GAO makes several recommendations which they believe will help VA correct its drug control problems. GAO recommends that the Administrator of Veterans Affairs direct the Chief Medical Director take immediate steps to

--implement the interim ward stock control measures previously recommended by GAO;

--revise the pharmacy manual issued by VA's central office to include the interim control measures;

--require the VA Central Office Pharmacy Service to conduct periodic compliance checks at the medical center level;

--ensure that the pharmacy units in VA medical centers do not fill prescriptions that are incomplete or inaccurate; and

--strengthen the security over prescription forms by requiring prescribing physicians and dentists to store prescription pads in locations that are not readily accessible to unauthorized persons.

GAO also recommends that the Administrator of Veterans Affairs

--identify the amount of funding necessary to permit system-wide conversion of ward stock systems to unit dose and provide the resources required to the affected medical centers to achieve total conversion.

ACTION TAKEN:

Interim ward stock controls were delineated and issued to VA field facilities in an April 2, 1976 Interim Issue. Updated instructions are in the review process

and will be reissued soon. The pharmacy manual has also been revised and is in review. It too will be issued as soon as possible.

VA concurred in the recommendation that periodic compliance checks be conducted at the medical center level, but disagreeded that VA Central Office Pharmacy Service be required to conduct them. The Central Office Pharmacy Service does not routinely conduct compliance checks at VA medical centers except at the request of medical center directors, external review bodies, or other appropriate authorities. This function is included in the Systematic External Review Program conducted by the Department of Medicine and Surgery's Office of Evaluation and Analysis. A set of Standards, Criteria, Evaluation Algorithms and Measuring Instruments has been developed and is being used to evaluate drug controls at the medical center level. These reviews will also cover compliance with VA directives pertaining to incomplete or inaccurate prescriptions.

The need for controls over prescription forms will be re-emphasized in the revised Interim Issue to be published soon. However, controls over prescription forms are adequately reflected in VA Manual M2, Part VII, Chapter 9.

VA had 45 medical centers converted to unit dose by the end of FY 78. Funding for additional conversions was not approved in FY 79 or 80 and cannot be provided within current budget and staffing allocations. It is this Agency's estimate that all medical centers could be converted to unit dose over a 4-year period.

BUDGET IMPLICATIONS:

Over a 4-year period, the total resource requirements for total conversion to the unit dose system are $41,747,000 and 1,996 average employment.

10. THE CONGRESS SHOULD MANDATE FORMATION OF A MILITARY-VA-CIVILIAN CONTINGENCY HOSPITAL SYSTEM (HRD-80-76, June 26, 1980):

RECOMMENDATIONS:

GAO recommends that the Secretary of Defense and the Administrator of Veterans Affairs jointly:

--Develop and establish the framework for a military-VA-civilian contingency hospital system. As part of this development, establish a mechanism for obtaining civilian medical care capability that (1) recognizes the responsibilities and authority of FEMA, HHS, and other Federal agencies during war or conflict and (2) adequately considers other unresolved issues, such as physician reimbursement and liability, and ground transportation availability.

--Analyze DoD's and VA's medical care resources to determine the Federal patient treatment capability on a time phased basis. This analysis should be made first near existing DoD aeromedical staging facilities, but should also include other locations where there are large concentrations of DoD and VA medical resources.

--Identify Federal and civilian capability that could be provided assuming that (1) patients are discharged early whenever possible and (2) nonemergency admissions are restricted during the war surge period.

GAO also recommends that the Administrator of Veterans Affairs:

--Provide estimates to DoD concerning its potential capabilities, in terms of both facilities and staffing, to treat returning battlefield casualties regardless of whether those casualties would be expected to return to duty. Such estimates should be based on the assumptions that patients would be discharged early whenever possible and nonemergency admissions would be restricted during the war surge period. These estimates should be developed through the joint DOD-VA planning effort to establish a military-VA-civilian contingency hospital system.

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--Ascertain the extent to which VA's affiliated hospitals would be able to assist VA in treating battlefield casualties.

ACTION TAKEN:

This Agency believes the first three recommendations might be construed as directing the VA to become the spokesman for DoD in contacting and developing emergency contingency plans with civilian hospitals in VA communities, and specifically, those with which the VA is affiliated. This is DoD's responsibility, but VA will fully support and cooperate with DoD in their efforts to determine the civilian health care capability to meet military needs in time of national emergency. DoD has already assumed coordinating responsibility and is proceeding to develop and establish the framework for a military-VA-civilian contingency hospital system.

Planning efforts for the proposed contingency hospital system involve the Federal Emergency Management Agency (FEMA) and the Department of Health and Human Services (HHS). Concerned agencies have met to improve interagency coordination and planning. A joint task force of representatives from VA, DoD, FEMA and HHS was established in August 1980, and monthly meetings have been held and are scheduled for the future. As part of the contingency planning effort, other issues such as reimbursement and available ground transportation, are also being considered.

VA is taking steps to analyze its medical care resources to support DoD. This analysis will first be made for VA facilities near existing DoD aeromedical staging facilities and DoD hospitals. DoD is evaluating its resources in order to identify sites which have good potential for participating in a military-VA-civilian contingency hospital system. Once these sites have been specified, VA will proceed with the analysis of medical care resources.

This Agency believes the recommendation that VA provide DoD estimates of VA's potential capability, in terms of both facilities and staffing, to treat returning battlefield casualties regardless of whether those casualties would be expected to return to duty, was premature. VA will need to carry out extensive studies and planning before data is available. Joint DoD/VA planning efforts are being made to establish the framework for a military-VA-civilian contingency hospital system. Once this system is clarified, estimates of VA's potential capability to support DoD will be developed.

BUDGET IMPLICATIONS:

None.

11. FEDERAL GOVERNMENT STILL STRIVING TO ESTABLISH SINGLE DRUG PROCUREMENT SYSTEM (HRD-80-59, June 30, 1980):

RECOMMENDATIONS:

GAO recommends that the Secretary of Defense and the Administrator of Veterans Affairs

--establish an effective market research and analysis program for drugs and medical devices in accordance with the specific requirements of the Administrator, OFPP; and

--use FDA's expertise in identifying therapeutically equivalent drugs and substitute, to the maximum possible extent, any lower priced therapeutically equivalent drug for a higher priced drug currently procured by either or both of the respective agencies' centralized wholesale drug supply systems.

GAO recommends that the Administrator of Veterans Affairs instruct VA Marketing Center officials in cooperation with other Federal officials involved in ongoing DoD/VA Shared Procurement Program efforts to

--identify duplicative drug items (procured and distributed through the Federal depot systems and Federal Supply Schedules) in efforts to adopt a suitable single acquisition strategy to satisfy all Federal users; and

--eliminate those items identified above from availability through the Federal Supply Schedules if such means of supply are not the most cost effective.

ACTION TAKEN:

VA has a market research and analysis program consisting of a continuous review of each item currently in the central system. Items are removed when they cannot be economically maintained and new items are not added to the central distribution system unless it is economical to do so.

The feasibility of using commercial products and commercial distribution is incorporated in VA's ongoing review of item management. As items are introduced into the system, they are reviewed to determine if they should be procured locally, centrally with commercial distribution, or centrally with government distribution. Findings are documented in the case of each newly standardized item, and are again reviewed at the time items are replenished. VA believes its market research and decisionmaking processes protect the interest of the taxpayer and comply with the Acquisition and Distribution of Commercial Products Policy. VA is exploring ways to expand market research, using current staff, along the lines suggested in this report. This Agency is also considering contractual assistance to develop a training program for VA personnel.

Using FDA's expertise in identifying therapeutically equivalent drugs is a continuing function in the VA. However, substitutions are limited since the primary mission of the VA drug procurement activity is to support the professional staff's requirements. Items procured and/or stocked are those which the medical staff has specifically requested through prescriptions or by other means. Procuring items other than those required by the physicians would generate dormant inventories, which would be uneconomical. The policy of the VA is predicated on providing a particular drug at the lowest published price and using the most economical method of supply. As sole/single source drugs become available on the commercial market, action is initiated to buy the drug competitively. Deviation from standard procedure must be therapeutically justified and submitted to the Office of the Chief Medical Director through the Executive Committee on Therapeutic Agents, Central Office, for approval.

VA concurred in the recommendation concerning the DoD/VA Shared Procurement Program. The actions GAO recommended are a continuing function in the VA. Items carried in the depot system and the Federal Supply Schedules (FSS) are reviewed and analyzed on an ongoing basis to determine the most cost-effective method of procurement and supply. The demands of all users are carefully considered to ensure that suitable and cost-effective means are available for supporting all users, regardless of size or location. In some instances, it has been determined that like items will be carried on the FSS and in the depot system to provide major and minor users with flexible means for supporting their demands. Experience shows that the minor user's demands are better supported through the FSS while the demands of major users are better supported through the depot system. The VA will continue to assess the FSS to insure that items included are cost-effective and are in the best interest of all users.

BUDGET IMPLICATIONS:

See Budget Implications for #3, PSAD-80-13, January 14, 1980. If contractual services are used, the market research and analysis training program would cover all items procured by the VA.

12. VA MUST STRENGTHEN MANAGEMENT OF ADP RESOURCES TO SERVE VETERAN'S NEEDS (FGMSD-80-60, July 16, 1980):

RECOMMENDATIONS:

GAO recommends that the Administrator of Veterans Affairs make a firm commitment to competitive procurement and amend his planning policy to require information needed to make well thought out acquisitions. GAO recommends that the Administrator direct the Office of Data Management and Telecommunications to

--establish a formal capacity planning process that will, among other things, consider the interdependencies among users, the compatibility of equipment, the procedures for translating user requirements into corresponding computer capacity, and the capacity and condition of existing equipment; and

--prepare a plan for competitively acquiring equipment in time to meet anticipated needs.

GAO also recommends that the Administrator of Veterans Affairs

--amend his ADP policy to require users to distinguish between required and discretionary work in assessing, planning, and approving software work;

--enforce his ADP planning and approval procedures; and

--establish a staff of ADP analysts and programmers to work on discretionary projects and assign skeleton crews to provide systems maintenance.

GAO recommends that the Administrator of Veterans Affairs quickly

--adopt and act to enforce the management techniques being proposed for controlling software work; and

--reexamine and correct the procedures for preparing specifications that are used to task the software programmers.

GAO also recommends that the Administrator of Veterans Affairs continue to encourage individual hospitals to automate unique hospital functions while establishing greater control by

--fully supporting the new effort by the Department of Medicine and Surgery to coordinate and control the use of computers by hospitals;

--making the Office of Data Management and Telecommunications responsible for all computer purchases and directing that equipment acquisitions be consolidated where practical to gain savings from bulk purchases; and

--directing the Department of Medicine and Surgery to evaluate all existing computer applications used by hospitals to determine if they are cost-effective, should be designed as a standard VA system for use by other hospitals, or be terminated.

GAO recommends that the Administrator of Veterans Affairs establish, as VA policy, a formal structure and process which at a minimum

--requires participation by users in the development of plans for ADP systems they will be expected to use; and

--assigns to officials whose organizational units are expected to use ADP systems a share of the accountability for formulating the system's requirements and for improving performance based on the use of completed systems.

GAO also recommends that the Administrator

--monitor the effectiveness of the recently formed users group for the Hospital Care Information System project to determine the degree of the group's involvement and the extent of its accountability for results;

--require that the interdependencies among the existing and proposed ADP applications in other VA departments and those of the Department of Medicine and Surgery be identified and coordinated; and

—require the ADP review committee to monitor the planning, development, coordination, and use of ADP resources agencywide and advise him of corrective actions needed.

ACTION TAKEN:

During the period in which GAO was gathering data for this report, the VA was conducting a thorough self-examination and long term corrective program. This culminated in a realignment of ADP resources, adoption of a new systems development methodology, a formal review and approval process at the highest levels of management, and revised Agency policies stipulating the roles and responsibilities of both users and management. Current VA policies and procedures clearly demonstrate VA's commitment to properly manage ADP resources and activities.

The Administrator's May 1980 planning guidance to the Office of Data Management and Telecommunications (DM&T) required that a clearly defined and well-managed ADP telecommunications program be developed. The guidance further stated that DM&T should continue coordination with Departments and Staff Offices to identify major areas where automation can be applied to improve management or the delivery of benefits. All user requirements should be integrated in a manner which validates current capabilities and equipment planning, addresses future requirements, and presents a strategy and timetable for accomplishment. An Administrator's May 16, 1980 Memorandum and subsequent July 1980 Interim Issues implement this guidance. They address effective management of ADP resources throughout the Agency and set forth the specific planning processes required of users.

The VA's commitment to competitive procurement of ADP equipment and services is reflected in the planning guidance which stated that DM&T should consider the need to competitively replace the existing computer mainframes at the Austin Data Processing Center during the 1981-1987 period, and instructed that users be fully involved in this effort.

In May 1980, the Administrator requested a study to determine the feasibility of a Central Development/Maintenance Center. In September 1980, the study was completed and the concept approved. Establishing this facility will centralize the development of technical specifications and programming at one location, and standardize the development methodology throughout the Agency. Independent data processing centers will maintain small cadres of systems personnel for production assistance.

The Center's staff will be dedicated to performing discretionary work approved by the ADP Review Group, a steering committee chaired by the Administrator, and composed of VA's major ADP users—the heads of Staff Offices and Departments. With this centralized approach, more control can be exercised over systems development and resources can be shifted, depending on priorities, to permit more effective and efficient use of VA's system and programming resources.

In July 1980, policy directives were issued to formalize policies and procedures to develop and manage ADP applications which support Agency missions. The VA has instituted the ADP Systems Life Cycle approach to systems management whereby the activities of an ADP effort are employed in 17 discrete phases from project initition to completion. Management controls are present to ensure appropriate scrutiny at each phase. The VA initiated the realignment of its ADP resources in September 1980 to effectively implement these policy directives.

The Department of Medicine and Surgery's (DM&S) coordination and control of the use of computers by VA medical centers is fully supported by the Administrator. The DM&S Computerized Medical Systems Office and the DM&T Health Care Delivery Systems Support Service jointly coordinate and control the use of data processing by VA medical centers. All procurements of medical ADP systems are scrutinized and approved by both offices.

The VA did not concur with the recommendation that DM&T be responsible for all VA computer purchases. DM&S automation needs include computers used for unique medical applications which demand highly specialized technologists. Accordingly, acquisition responsibility for these highly unique computers should be vested in DM&S where this expertise exists.

Evaluation of existing computer applications is an ongoing DM&S effort. Since January 1979, numerous site visits have been made to determine the need for ADP assistance to the patient care process. The potential for sharing has been assessed, and plans were developed for the use of standardized systems to accommodate urgent and critical patient care needs. Standardization efforts include an automated pharmacy system which will be installed in 156 medical centers and outpatient clinics.

The VA has a formal structure which requires user participation in the planning and development of ADP systems. The July 1980 policy directives formalize the procedures for developing and managing ADP applications. Users are required to initiate the systems development process and develop functional specifications from which DM&T develops appropriate technical designs. User and DM&T accountability for these respective functions is defined at various steps of the systems development process.

The Administrator assumed the chairmanship of the ADP Review Group in May 1980. The Group has set priorities for ADP initiatives in the Fiscal Year 1982 budget. All user departments and staff offices participated in this endeavor and ranked the initiatives from an Agency-wide perspective. DM&T is now updating the Agency 5-year ADP plan and in the process, is soliciting users' long term ADP needs.

The VA concurred with the recommendation to monitor the effectiveness of the recently formed Health Care Information System (HCIS) user group. The designated user committees have produced functional requirements documents for the HCIS core elements. These include patient registration/location, admissions/discharges/transfers, centralized scheduling, pharmacy, and clinical laboratory systems. A sixth functional requirements document integrates these modules.

The ADP Review Group has been briefed on the approach to updating the ADP long range plan which will fully consider the interdependencies of users in the systems development efforts. When the updating is complete, the Group will ensure that the plan identifies such interdependencies.

The Group approves each major step of the systems development process for systems whose life cycle costs exceed $1 million. Accordingly, the approval process will ensure that interdependencies are considered and coordinated. Such action has already been taken by the ADP Review Group in the proposed redesign of the Beneficiary Identification and Records Locator System.

The GAO recommended that the Congress withhold further funding for the Health Care Information System until it has been satisfactorily assured that VA will implement the substance of the recommendations in the report. The VA is concerned that congressional action on this recommendation will prevent implementation of the recommendations made to this Agency. GAO recommended that the planned health care system be more thoroughly analyzed. The analysis should include a detailed study of available in-house capabilities, as well as those in other Federal agencies and in the private sector.

The VA's funding requirement for HCIS is for precisely some of the initiatives GAO recommended. This includes a contract for reviewing private sector ADP systems for applicability to HCIS. Another contract provides assistance in defining HCIS user specifications. A third contract provides for development of an acquisition strategy which allows the VA to progress from the recognition of its long term health care needs to implementing a solution to meet these needs. The contracts are essential to ensure assessment of a broad range of alternatives, full user participation in developing functional requirements for the system, and planning and implementing an appropriate solution to meet these requirements.

BUDGET IMPLICATIONS:

In the short run, recommendations made in this report should have a relatively minor budgetary impact. In the longer run, however, establishment of more comprehensive planning processes and the timely acquisition of computer hardware through completely competitive acquisition procedures will require significant budgetary resources.

13. VA IMPROVED PENSION PROGRAM: SOME PERSONS GET MORE THAN THEY SHOULD AND OTHERS LESS (HRD-80-61, August 6, 1980):

RECOMMENDATIONS:

GAO recommends that the Administrator of Veterans Affairs

--use the SSA annual data exchange information to identify and adjust payments for those pensioners who did not report their social security benefits and have not yet been detected;

--establish a data exchange to verify Federal Black Lung benefits and review other Federal benefit programs to determine the need for, and feasibility of, obtaining benefit information from other agencies; and

--stop providing records (1) during the annual data exchange on veterans deceased more than 1 year, and (2) during the quarterly exchange for those pensioners who are not SSI recipients.

GAO also recommends that the Administrator of Veterans Affairs and the Commissioner of Social Security take necessary action to resolve identification problems in the annual data exchange, which prevent benefit data on a large number of SSA-VA recipients from being provided to VA for use in verifying the accuracy of information being provided by pensioners.

ACTION TAKEN:

The recommendation that VA use the January 1979 Social Security Administration (SSA) annual data exchange information to adjust pension payments as necessary, and recover overpayments and pay underpayments, was implemented in May 1979. The information was used to update the amount of monthly social security benefits. Improved pension and parents' Disability Indemnity Compensation (DIC) cases were updated and reviewed again when the SSA furnished us monthly data after the June 1, 1979 cost-of-living increase of 9.9 percent.

The VA concurred in the recommendation covering data exchange to verify benefits received from other Federal programs, and recognized the need to verify annuity benefits, other than social security, with other Federal agencies. VA contacted the SSA and the Department of Labor regarding Black Lung data, the Office of Personnel Management for Civil Service data, and the Railroad Retirement Board for their data. Memoranda of understanding between the VA and these agencies have been formulated and are now being reviewed by VA's General Counsel. In the interim, this Agency plans to send letters twice a year to improved pension and parents' DIC recipients who have income from other annuities to request a report of their current annuity income, excluding social security and Civil Service retirement.

VA did not concur in the third recommendation to stop providing records during the annual data exchange on veterans deceased over one year, and during the quarterly exchange for those pensioners who are not Supplemental Security Income (SSI) recipients. The VA provides data to the SSA on deceased veteran's accounts, when survivors are receiving VA pension benefits, to verify the veteran's social security number, not for any verification of payment data. The verified numbers are then used to assist in identifying the surviving spouses's SSA record, and to obtain payment data on the social security account for the survivors. SSA payments to the veteran's survivors affect VA death pension entitlement. The disclosures help identify the correct amount of VA benefits to be paid to surviving spouses.

A memorandum of understanding between the VA and the SSA has been developed. This will permit an ongoing cyclical interchange and will eliminate the need for a total file bank review of all VA compensation and pension accounts to identify SSI recipients. The VA is now preparing the functional specifications for programming changes and expects the interchange will be implemented by the end of calendar year 1981. In the meantime, the GAO recommendation could be implemented only at the cost of missing many dual payees. The SSI indicator codes in VA records, referred to in the report, are not current. Moreover, it is VA's understanding that the SSA could identify VA recipients only by asking the recipient or this Agency

for this information. Consequently, it appears that the recommendation that the VA give SSA less than a complete computer run could presently be replaced only by SSA giving the VA records of all SSI recipients, if complete cross-checking is to continue.

BUDGET IMPLICATIONS:

Minimal benefit saving to the compensation and pension appropriation.

14. TRANSFERS OF EXCESS AND SURPLUS FEDERAL PERSONAL PROPERTY--IMPACT OF PUBLIC LAW 94-519 (LCD-80-101, September 30, 1980):

RECOMMENDATIONS:

GAO recommends that the heads of all Federal agencies which transfer excess personal property to their grantees, review their plans, policies, and procedures on such transfers and ensure that they fully comply with the applicable provisions of Public Law 94-519 and the implementing FPMR.

ACTION TAKEN:

In general, VA agreed with the GAO report, but believes it would not be economically feasible for the VA, as well as other Federal agencies, to absorb the cost of identifying and accounting for donated property which implementation of Section 203(J)(I) of Public Law 94-519 would require.

The expenses executive agencies would incur in identifying and accounting for the costs of care and handling of excessed property probably would exceed the amount that would be recovered by imposing a surcharge on donees as required by this Public Law.

The VA has reviewed Agency plans, policies, and procedures as recommended and found them to be satisfactory.

BUDGET IMPLICATIONS:

None.

15. AGENCIES SHOULD ENCOURAGE GREATER COMPUTER USE ON FEDERAL DESIGN PROJECTS (LCD-81-7, October 15, 1980):

RECOMMENDATIONS:

GAO recommends that the heads of departments and agencies procuring architect-engineer services take the following actions:

--Provide appropriate training--courses, seminars, newsletters, etc.--on the capabilities and uses of computers in design to their employees. Employees receiving this training should include those involved in selecting design firms, negotiating contracts, managing projects, and reviewing designs. This will increase employees' awareness of the computer and its use in design and enable them to more effectively and efficiently carry out their assigned responsibilities. Also, GAO recommends that agencies and departments encourage employees to stay current on new and improved uses of computers in their individual areas of expertise.

--Provide sufficient technical support to contract negotiating teams. This support should include personnel with sufficient knowledge about computer use and the related costs to enable teams to realistically evaluate the planned use of computer methods and negotiate a fair and reasonable fee for the services to be provided.

--Direct that computer use be required for those analyses and design functions which can be done more efficiently and accurately by computer-aided methods and which are critical to the end product, in

terms of safety, energy consumption, and life-cycle costs. Also, encourage computer use in all areas when the quality of the design or the structure to be built can be improved when computer aids are used.

--Require computer capabilities and expertise to be considered and evaluated when selecting architects and engineers for projects on which computer-aided design methods, such as energy analyses, can be used. Also, revise the criteria used in evaluating the overall qualifications of firms for design contracts to include computer capability and expertise.

--Require that architect-engineer contract negotiators routinely discuss and evaluate planned use of computers when negotiating design contracts.

ACTION TAKEN:

In general, the VA agreed with the recommendation that Government employees' knowledge and awareness of computer capabilities and its use in design be increased. The VA's Office of Construction is among the forerunners in the development and use of computer techniques in construction. VA employees, representing various construction specialties, who are familiar with advanced computer uses in design and construction, confer with the Architect-Engineers (A/E) during the pre-negotiation stage. General training on computer use potential has not been established in the VA, but is planned for the future.

This Agency has some reservations about the third recommendation concerning the requirement to use computers in specific instances, and encouraging computer use when the quality of the design or the structure to be built can be improved. Requiring the use of the computers can be very judgmental on "when the quality of the design or the structure to be built can be improved when computer aids are used." Widely differing views exist on what can be done efficiently by a computer. As stated in the report, computer use is very widespread in the A/E profession, and A/E's are expected to use it when there are no efficient alternate means of accomplishing certain tasks. While computer use can minimize the potential for human error, a computer cannot substitute for sound judgment. However, the VA seriously considers computer use in A/E selection for appropriate types of projects, as well as numerous and varied design tasks performed within our Office of Construction.

Essentially, this Agency agrees with the fourth recommendation, and VA's evaluation criteria asks for "innovative approaches to production and design." This covers computer use and other advanced design and production methods, such as special techniques considered more valuable than computer applications on certain projects. The VA does not believe that computer capability should be a general selection factor on all projects, as this recommendation suggests. There are other important procurement factors to be considered, such as allowing small, minority, or local firms, which may not have computer capabilities, to compete on Federal projects. VA believes that its employees currently view computer use objectively and constructively. They appear to have a more balanced perspective than is suggested by the last part of this recommendation. Since computer use is being considered for those tasks where important benefits can be realized, this Agency does not think it is advisable to revise the criteria used to evaluate the overall qualifications of firms for design contracts.

The VA has no objections to Agency negotiators routinely discussing computer use with A/E's. However, the VA does not believe that computer use is expected or necessary on every project, regardless of the size, type, or complexity.

BUDGET IMPLICATIONS:

There may be a modest overall decrease in A/E fees and construction and operation costs.

PART 21. SPECIAL ANALYSES - AGENCYWIDE

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APPROPRIATION STRUCTURE

The Veterans Administration programs are funded through 15 appropriations, 10 revolving funds, an intragovernmental fund and 5 trust funds. These appropriations and funds are listed below with a brief description of the scope of the account:

Appropriations

COMPENSATION: Provides for compensation payments to service-connected disabled veterans and their survivors.

PENSIONS: Provides for pension payments to war-time veterans and their survivors.

BURIAL BENEFITS AND MISCELLANEOUS ASSISTANCE: Provides burial and other benefits to veterans and their survivors.

READJUSTMENT BENEFITS: Education and training, special assistance to disabled veterans.

VETERANS INSURANCE AND INDEMNITIES: Payments for Servicemen's Indemnity, National Service Life Insurance, United States Government Life Insurance, and Service-Disabled Veterans Insurance.

MEDICAL CARE: Provides for hospitalization, nursing home and domiciliary care in VA facilities, outpatient care, contract care, and grants for State home care.

MEDICAL AND PROSTHETIC RESEARCH: Medical research and rehabilitative and health services research and development activities.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES: Central Office executive direction of all medical programs, medical personnel education and training, and the exchange of medical information program.

ASSISTANCE FOR HEALTH MANPOWER TRAINING INSTITUTIONS: Health manpower training assistance through grants to medical schools and other affiliated health manpower training institutions and expansion of VA hospital education and training capacity.

GENERAL OPERATING EXPENSES: Staff Offices, Office of Data Management and Telecommunications, Department of Veterans Benefits and Deparatment of Memorial Affairs.

CONSTRUCTION, MAJOR PROJECTS: For constructing, altering, extending and improving any VA facility, including planning, architectural and engineering services, and site acquisition where the estimated cost of a project is $3,000,000 or more or where funds for a project were made available in a previous major project appropriation.

CONSTRUCTION, MINOR PROJECTS: For constructing, altering, extending and improving any VA facility, including planning, architectural and engineering services, and site acquisition, where the estimated cost of a project is less than $3,000,000. Also included is the cost of the Office of the Assistant Administrator for Construction.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES: Grants to assist States in construction of State nursing home and domiciliary facilities and to remodel, modify or alter existing hospital, nursing home, and domiciliary facilities in State homes.

GRANTS TO THE REPUBLIC OF THE PHILIPPINES: Grants for medical and treatment of Philippine Veterans, including nursing home care, health service personnel training, and hospital equipment, plant and facility rehabilitation.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS CEMETERIES: Grants to aid States in establishing, expanding, or improving State veterans' cemeteries.

Revolving Funds

CONSTRUCTION AND OPERATION OF GARAGE AND PARKING FACILITIES FUND: Established by P.L. 96-72, approved September 30, 1979, to provide a mechanism for collecting funds from employees to operate medical employee parking facilities.

LOAN GUARANTY REVOLVING FUND: Established July 1, 1961 to fund the non-administrative expenses incident to the management, operation and sale of properties acquired when veteran borrowers fail to keep up their payments on VA guaranteed or insured loans. Revenue is derived principally from the sale of loans.

DIRECT LOAN REVOLVING FUND: Direct loans are made to veterans for the purchase, construction or improvement of homes in specified geographical areas where VA guaranteed mortgage loans from private lenders cannot be secured.

CANTEEN SERVICE REVOLVING FUND: Established in 1946 to fund program to furnish merchandise and services to veterans in VA hospitals, nursing homes and domiciliaries.

SERVICE-DISABLED VETERANS INSURANCE FUND: Finances claim payments on non-participating policies issued to service-disabled veterans who served in the Armed Forces after April 25, 1951. Insures medically sub-standard veterans. Claim payments exceed premium receipts each year. Funds are derived from premiums and Veterans Insurance and Indemnities appropriation.

VETERANS REOPENED INSURANCE FUND: Established in 1965 as financing mechanism for a program authorizing reopening of National Service Life Insurance for one year, for certain disabled veterans of World War II and the Korean Conflict.

EDUCATION LOAN FUND: Established December 3, 1974 to provide education loans of up to $2,500 a school year for certain post-Korean veterans and certain dependents who are without sufficient funds to meet their expenses. This fund is financed by transfers from the Readjustment Benefits appropriation and from collection of fees, principal and interest on loans.

VOCATIONAL REHABILITATION REVOLVING FUND: Loans are made up to $200 to disabled veterans eligible for vocational rehabilitation who are without sufficient funds to meet their expenses. Payments are used to make new loans.

SERVICEMEN'S GROUP LIFE INSURANCE FUND: Established in 1965 as the financing mechanism to provide Group Life Insurance to members of the uniformed forces on active duty and certain members of the Reserves. Premiums, including the cost of administration, are deducted monthly from the Servicemen's pay and remitted by each uniformed service to the VA and in turn to the primary insurer. The government contributes toward the military extra hazard cost by paying for all death claims over a certain maximum as defined by law.

SPECIAL THERAPEUTIC AND REHABILITATION ACTIVITIES FUND: Established October 21, 1976 to provide a mechanism for the furnishing of remunerative rehabilitative services to certain veterans who are receiving medical care and treatment from the Veterans Administration. The fund is self-sustaining.

Intragovernmental Funds

SUPPLY REVOLVING FUND: A self-sustaining revolving fund. Finances, on a reimbursable basis, the procurement of supplies and equipment throughout the VA and other government agencies; operation of three Supply Depots; and the VA publications program.

Trust Funds

POST-VIETNAM ERA VETERANS EDUCATION ACCOUNT: Consists of voluntary contributions by eligible servicepersons, VA matching contributions and Department of Defense contributions on behalf of specific servicepersons. The account serves as a depository and disbursing account for the contributory-matching education program which provides educational assistance payments to participants who entered the service on or after January 1, 1977 and are pursuing training under chapter 32 (38 U.S.C.).

GENERAL POST FUND: Consists of gifts, bequests, and proceeds of property left in the care of VA facilities by former beneficiaries, and proceeds from effects of such beneficiaries who die leaving no heirs or without having otherwise disposed of their estates. Such funds are used to promote the comfort and welfare of veterans at hospitals and homes where no general appropriation is available.

NATIONAL SERVICE LIFE INSURANCE FUND: Started in 1940 as financing mechanism for World War II insurance. Closed to new issues in 1951. Income derived from premiums, interest and transfers from Veterans Insurance and Indemnities appropriation.

UNITED STATES GOVERNMENT LIFE INSURANCE FUND: Started 1919 as financing mechanism for converted insurance issued under War Risk Insurance Act of 9/2/14, as amended. Closed to new issues April 1951. Income derived from premiums, interest on investments and transfers from Veterans Insurance and Indemnities appropriation.

VETERANS SPECIAL LIFE INSURANCE FUND: Finances the payment of claims for the insurance program authorized for insurable veterans who served after April 1951 and before January 1, 1957. Income is derived from premiums and interest on investments.

VA FACILITIES BY TYPE
(December 31, 1980)

CENTRAL OFFICE (1)
Washington, D.C.

FOREIGN OFFICES (1)
Manila, Philippines

MARKETING CENTER (1)
Hines, Ill.

INSURANCE CENTERS (2)
Philadelphia, Pa.
St. Paul, Minn.

PROSTHETIC CENTER (1)
New York, N.Y.

CANTEEN SERVICE FIELD OFFICES (5)
Atlanta, Ga.
New York, N.Y.
San Francisco, Calif.
St. Louis, Mo.
Washington, D.C.

RECORDS PROCESSING CENTER (1)
St. Louis, Mo.

SUPPLY DEPOTS (3)
Bell, Calif.
Hines, Ill.
Somerville, N.J.

DATA PROCESSING CENTERS (5)
Austin, Texas
Hines, Ill.
Los Angeles, Calif.
Philadelphia, Pa.
St. Paul, Minn.

MEDICAL CENTERS W/DOMICILIARIES (15)
Bath, N.Y.
Bay Pines, Fla.
Biloxi, Miss.
Bonham, Texas
Dayton, Ohio
Dublin, Ga.
Hampton, Va.
Hot Springs, S. D.
Leavenworth, Kans.
Los Angeles, Calif. (Wadsworth)
Martinsburg, W. Va.
Mountain Home, Tenn.
Prescott, Ariz.
Temple, Texas
Wood, Wisc.

DOMICILIARY (1)
White City, Oregon

VA OFFICES–DVB (16)
Albany, N.Y.
Cincinnati, Ohio
Columbus, Ohio
Dallas, Texas
Jacksonville, Florida
Kansas City, Mo.
Lubbock, Texas
Miami, Florida
Oklahoma City, Okla.
Portland, Maine
Rochester, N.Y.
San Antonio, Texas
Shreveport, La.
Springfield, Mass.
Syracuse, N.Y.
Wilkes-Barre, Pa.

REGIONAL OFFICES (58)

ALABAMA
Montgomery

ALASKA
Anchorage

ARIZONA
Phoenix

ARKANSAS
Little Rock

CALIFORNIA
Los Angeles
San Diego
San Francisco

COLORADO
Denver

CONNECTICUT
Hartford

DELAWARE
Wilmington

DISTRICT OF COLUMBIA
Washington

FLORIDA
St. Petersburg

GEORGIA
Atlanta

HAWAII
Honolulu

IDAHO
Boise

ILLINOIS
Chicago

INDIANA
Indianapolis

IOWA
Des Moines

KANSAS
Wichita

KENTUCKY
Louisville

LOUISIANA
New Orleans

MAINE
Togus

MARYLAND
Baltimore

MASSACHUSETTS
Boston

MICHIGAN
Detroit

MINNESOTA
St. Paul

MISSISSIPPI
Jackson

MISSOURI
St. Louis

MONTANA
Fort Harrison

NEBRASKA
Lincoln

NEVADA
Reno

NEW HAMPSHIRE
Manchester

NEW JERSEY
Newark

NEW MEXICO
Albuquerque

NEW YORK
Buffalo
New York

NORTH CAROLINA
Winston-Salem

NORTH DAKOTA
Fargo

OHIO
Cleveland

OKLAHOMA
Muskogee

OREGON
Portland

PENNSYLVANIA
Philadelphia
Pittsburgh

RHODE ISLAND
Providence

SOUTH CAROLINA
Columbia

SOUTH DAKOTA
Sioux Falls

TENNESSEE
Nashville

TEXAS
Houston
Waco

UTAH
Salt Lake City

VERMONT
White River Jct.

VIRGINIA
Roanoke

WASHINGTON
Seattle

WEST VIRGINIA
Huntington

REGIONAL OFFICES (58)—Continued

WISCONSIN
Milwaukee

WYOMING
Cheyenne

PHILIPPINES
Manila

PUERTO RICO
San Juan

VA MEDICAL CENTERS (172)

ALABAMA
Birmingham
Montgomery
Tuscaloosa
Tuskegee

ARIZONA
Phoenix
Prescott
Tucson

ARKANSAS
Fayetteville
Little Rock (Little Rock)
Little Rock (North Little Rock)

CALIFORNIA
Fresno
Livermore
Loma Linda
Long Beach
Los Angeles (Brentwood)
Los Angeles (Wadsworth)
Martinez
Palo Alto (Menlo Park)
Palo Alto (Palo Alto)
San Diego
San Francisco
Sepulveda

COLORADO
Denver
Fort Lyon
Grand Junction

CONNECTICUT
Newington
West Haven

DELAWARE
Wilmington

DISTRICT OF COLUMBIA
Washington

FLORIDA
Bay Pines
Gainesville
Lake City
Miami
Tampa

GEORGIA
Atlanta
Augusta (Forest Hills)
Augusta (Lenwood)
Dublin

IDAHO
Boise

ILLINOIS
Chicago (Lakeside)
Chicago (West Side)
Danville
Hines
Marion
North Chicago

INDIANA
Fort Wayne
Indianapolis (Cold Springs Road)
Indianapolis (Tenth Street)
Marion

IOWA
Des Moines
Iowa City
Knoxville

KANSAS
Leavenworth
Topeka
Wichita

KENTUCKY
Lexington (Cooper Drive)
Lexington (Leestown)
Louisville

LOUISIANA
Alexandria
New Orleans
Shreveport

MAINE
Togus

MARYLAND
Baltimore
Fort Howard
Perry Point

MASSACHUSETTS
Bedford
Boston
Brockton
Northampton
West Roxbury

MICHIGAN
Allen Park
Ann Arbor
Battle Creek
Iron Mountain
Saginaw

MINNESOTA
Minneapolis
St. Cloud

MISSISSIPPI
Biloxi (Biloxi)
Biloxi (Gulfport)
Jackson

MISSOURI
Columbia
Kansas City
Poplar Bluff
St. Louis (Jefferson Barracks)
St. Louis (John Cochran)

MONTANA
Fort Harrison
Miles City

NEBRASKA
Grand Island
Lincoln
Omaha

NEVADA
Reno

NEW HAMPSHIRE
Manchester

NEW JERSEY
East Orange
Lyons

NEW MEXICO
Albuquerque

NEW YORK
Albany
Batavia
Bath
Bronx
Brooklyn
Brooklyn (St. Albans)
Buffalo
Canandaigua
Castle Point
Montrose
New York
Northport
Syracuse

NORTH CAROLINA
Asheville
Durham
Fayetteville
Salisbury

NORTH DAKOTA
Fargo

OHIO
Chillicothe
Cincinnati
Cleveland (Brecksville)
Cleveland (Wade Park)
Dayton

OKLAHOMA
Muskogee
Oklahoma City

OREGON
Portland
Roseburg

PENNSYLVANIA
Altoona
Butler
Coatesville
Erie
Lebanon
Philadelphia
Pittsburgh (Aspinwall)
Pittsburgh (Highland Drive)
Pittsburgh (Pittsburgh)
Wilkes-Barre

RHODE ISLAND
Providence

SOUTH CAROLINA
Charleston
Columbia

SOUTH DAKOTA
Fort Meade
Hot Springs
Sioux Falls

TENNESSEE
Memphis
Mountain Home
Murfreesboro
Nashville

TEXAS
Amarillo
Big Spring
Bonham
Dallas
Houston
Kerrville
Marlin
San Antonio
Temple
Waco

UTAH
Salt Lake City

VERMONT
White River Junction

VIRGINIA
Hampton
Richmond
Salem

WASHINGTON
American Lake, (Tacoma)
Seattle
Spokane
Vancouver
Walla Walla

WEST VIRGINIA
Beckley
Clarksburg
Huntington
Martinsburg

WISCONSIN
Madison
Tomah
Wood

WYOMING
Cheyenne
Sheridan

PUERTO RICO
San Juan

VA OUTPATIENT CLINICS (227)

ALABAMA
Birmingham
Mobile (sub-station)
Montgomery
Tuscaloosa
Tuskegee

ALASKA
Anchorage

ARIZONA
Phoenix
Prescott
Tucson

ARKANSAS
Fayetteville
Little Rock (2)

CALIFORNIA
Fresno
Livermore
Loma Linda
Long Beach
Los Angeles (3)
Martinez
Oakland (sub-station)
Palo Alto (2)
Sacramento (sub-station)
San Diego (2)
San Francisco
Santa Barbara (sub-station)
Sepulveda

COLORADO
Denver
Fort Lyon
Grand Junction

CONNECTICUT
Newington
West Haven

DELAWARE
Wilmington

DISTRICT OF COLUMBIA
Washington

FLORIDA
Bay Pines
Ft Myer (sub-station)
Gainesville
Jacksonville (sub-station)
Lake City
Miami
Orlando (sub-station)
Riviera Beach (sub-station)
St. Petersburg (sub-station)
Tampa

GEORGIA
Atlanta
Augusta (2)
Dublin

HAWAII
Honolulu

IDAHO
Boise

ILLINOIS
Chicago (2)
Danville
Hines
Marion
North Chicago
Peoria (sub-station)

INDIANA
Evansville (sub-station)
Fort Wayne
Indianapolis (2)
Marion

IOWA
Des Moines
Iowa City
Knoxville

KANSAS
Leavenworth
Topeka
Wichita

KENTUCKY
Lexington (2)
Louisville

LOUISIANA
Alexandria
Baton Rogue (sub-station)
New Orleans
Shreveport

MAINE
Togus

MARYLAND
Baltimore (2)
Fort Howard
Perry Point

MASSACHUSETTS
Bedford
Boston (2)
Brockton
Lowell (sub-station)
New Bedford (sub-station)
Northampton
Springfield (sub-station)
West Roxbury
Worchester (sub-station)

MICHIGAN
Allen Park
Ann Arbor
Battle Creek
Grand Rapids (sub-station)
Iron Mountain
Saginaw

MINNESOTA
Minneapolis
St. Cloud
St. Paul

MISSISSIPPI
Biloxi (2)
Jackson

MISSOURI
Columbia
Kansas City
Poplar Bluff
St. Louis (2)

MONTANA
Fort Harrison
Miles City

NEBRASKA
Grand Island
Lincoln
Omaha

NEVADA
Henderson (sub-station)
Reno

NEW HAMPSHIRE
Manchester

NEW JERSEY
East Orange
Lyons
Newark

NEW MEXICO
Albuquerque

NEW YORK
Albany
Batavia
Bath
Bronx
Brooklyn (3)
Buffalo
Canandaigua
Castle Point
Montrose
New York (2)
Northport
Rochester (sub-station)
Syracuse

NORTH CAROLINA
Asheville
Durham
Fayetteville
Salisbury
Winston-Salem

NORTH DAKOTA
Fargo

OHIO
Canton (sub-station)
Chillicothe
Cincinnati
Cleveland (2)
Columbus (2) (1-sub-station)
Dayton
Toledo (sub-station)

OKLAHOMA
Muskogee
Oklahoma City
Tulsa (sub-station)

OREGON
Portland (2)
Roseburg
White City

PENNSYLVANIA
Allentown (sub-station)
Altoona
Butler
Coatesville
Erie
Harrisburg (sub-station)
Lebanon
Philadelphia (2)
Pittsburgh (4)
Wilkes-Barre

RHODE ISLAND
Providence

SOUTH CAROLINA
Charleston
Columbia
Greenville (sub-station)

SOUTH DAKOTA
Fort Meade
Hot Springs
Sioux Falls

TENNESSEE
Chattanooga (sub-station)
Knoxville (sub-station)
Memphis
Mountain Home
Murfreesboro
Nashville

TEXAS
Amarillo
Beaumont
Big Spring
Bonham
Corpus Christi (sub-station)
Dallas
El Paso
Houston
Kerrville
Lubbock
Marlin
McAllen (sub-station)
San Antonio (2)
Temple
Waco (2)

UTAH
Salt Lake City

VERMONT
White River Junction

VIRGINIA
Hampton
Richmond
Salem

WASHINGTON
American Lake (Tacoma)
Seattle
Spokane
Vancouver
Walla Walla

WEST VIRGINIA
Beckley
Clarksburg
Huntington
Martinsburg
Wheeling (sub-station)

WISCONSIN
Madison
Tomah
Wood

WYOMING
Cheyenne
Sheridan

PHILIPPINES
Manila

PUERTO RICO
Mayaguez (sub-station)
Ponce (sub-station)
San Juan

US VETERANS ASSISTANCE CENTERS(72)

ALABAMA
Montgomery

ALASKA
Anchorage

ARIZONA
Phoenix

ARKANSAS
Little Rock

CALIFORNIA
Compton
Los Angeles (2)
San Diego
San Francisco

COLORADO
Denver

CONNECTICUT
Hartford

DELAWARE
Wilmington

DISTRICT OF COLUMBIA
Washington

FLORIDA
Jacksonville
Miami
St. Petersburg

GEORGIA
Atlanta

HAWAII
Honolulu

IDAHO
Boise

ILLINOIS
Chicago

INDIANA
Indianapolis

IOWA
Des Moines

KANSAS
Wichita

KENTUCKY
Louisville

LOUISIANA
New Orleans

MAINE
Togus

MARYLAND
Baltimore

MASSACHUSETTS
Boston

MICHIGAN
Detroit

MINNESOTA
St. Paul

MISSISSIPPI
Jackson

MISSOURI
Kansas City
St. Louis

MONTANA
Fort Harrison

NEBRASKA
Lincoln

NEVADA
Reno

NEW HAMPSHIRE
Manchester

NEW JERSEY
Newark

NEW MEXICO
Albuquerque

NEW YORK
Albany
Buffalo
New York
Rochester
Syracuse

NORTH CAROLINA
Winston-Salem

NORTH DAKOTA
Fargo

OHIO
Cincinnati
Cleveland
Columbus

OKLAHOMA
Muskogee
Oklahoma City

OREGON
Portland

PENNSYLVANIA
Philadelphia
Pittsburgh
Wilkes-Barre

RHODE ISLAND
Providence

SOUTH CAROLINA
Columbia

SOUTH DAKOTA
Sioux Falls

TENNESSEE
Nashville

TEXAS
Dallas
Houston
Lubbock
San Antonio
Waco

UTAH
Salt Lake City

VERMONT
White River Junction

VIRGINIA
Roanoke

WASHINGTON
Seattle

WEST VIRGINIA
Huntington

WISCONSIN
Milwaukee

WYOMING
Cheyenne

PUERTO RICO
San Juan

NURSING BED CARE UNITS (92)

ALABAMA
Tuscaloosa
Tuskegee

ARIZONA
Phoenix
Tucson

ARKANSAS
Little Rock
(North Little Rock)

CALIFORNIA
Loma Linda
Long Beach
Palo Alto (Menlo Park)
San Diego
Sepulveda

COLORADO
Fort Lyon
Grand Junction

CONNECTICUT
West Haven

DELAWARE
Wilmington

FLORIDA
Bay Pines
Lake City
Miami

GEORGIA
Augusta (Lenwood)
Dublin

ILLINOIS
Danville
North Chicago

INDIANA
Fort Wayne
Indianapolis
(Cold Spr. Rd.)
Marion

IOWA
Knoxville

KANSAS
Leavenworth
Topeka

KENTUCKY
Lexington
(Leestown)

LOUISIANA
Alexandria

MAINE
Togus

MARYLAND
Fort Howard
Perry Point

MASSACHUSETTS
Bedford
Brockton
Northampton

MICHIGAN
Allen Park
Battle Creek
Iron Mountain

MINNESOTA
St. Cloud

MISSISSIPPI
Biloxi (Biloxi)
Jackson

MISSOURI
Columbia
Poplar Bluff
St. Louis
(Jefferson Barracks)

MONTANA
Miles City

NEBRASKA
Grand Island

NEVADA
Reno

NEW HAMPSHIRE
Manchester

NEW JERSEY
East Orange
Lyons

NEW MEXICO
Albuquerque

NEW YORK
Albany
Bath
Brooklyn
(St. Albans)
Buffalo
Canandaigua
Castle Point
Montrose
Syracuse

NORTH CAROLINA
Asheville
Fayetteville
Salisbury

NORTH DAKOTA
Fargo

OHIO
Chillicothe
Cincinnati
Cleveland
(Brecksville)
Dayton

OREGON
Roseburg

PENNSYLVANIA
Altoona
Butler
Coatesville
Erie
Lebanon
Pittsburgh
(Aspinwall)

SOUTH CAROLINA
Columbia

SOUTH DAKOTA
Sioux Falls

TENNESSEE
Mountain Home
Murfreesboro

TEXAS
Big Spring
Bonham
Houston
Kerrville
Waco

UTAH
Salt Lake City

VERMONT
White River Junction

VIRGINIA
Hampton
Salem

WASHINGTON
American Lake (Tacoma)

WEST VIRGINIA
Beckley

WISCONSIN
Tomah
Wood

WYOMING
Cheyenne

NATIONAL CEMETERY AREA OFFICES (3)

CALIFORNIA
San Francisco

GEORGIA
Atlanta

PENNSYLVANIA
Philadelphia

VA NATIONAL CEMETERIES (107)

ALABAMA
Mobile

ALASKA
Sitka

ARIZONA
Prescott

ARKANSAS
Fayetteville
Fort Smith
Little Rock

CALIFORNIA
Los Angeles
Riverside
San Bruno
San Diego
San Francisco

COLORADO
Denver
Fort Lyon

FLORIDA
Bay Pines
Pensacola
St. Augustine

GEORGIA
Marietta

HAWAII
Honolulu

ILLINOIS
Alton
Danville
Mound City
Quincy
Rock Island
Springfield

INDIANA
Indianapolis
Marion
New Albany

IOWA
Keokuk

KANSAS
Fort Leavenworth
Fort Scott
Leavenworth

KENTUCKY
Danville
Lebanon
Lexington
Louisville (2)
Nancy
Nicholasville

LOUISIANA
Baton Rouge
Pineville
Zachary

MAINE
Togus

MARYLAND
Annapolis
Baltimore (2)

MASSACHUSETTS
Bourne

MINNESOTA
St. Paul

MISSISSIPPI
Biloxi
Corinth
Natchez

MISSOURI
Jefferson City
St. Louis
Springfield

NEBRASKA
Maxwell

NEW JERSEY
Beverly
Salem

NEW MEXICO
Fort Bayard
Santa Fe

NEW YORK
Bath
Brooklyn
Calverton
Elmira
Farmingdale, L.I.

NORTH CAROLINA
New Bern
Raleigh
Salisbury
Wilmington

OHIO
Dayton

OKLAHOMA
Fort Gibson

OREGON
Portland
Roseburg
White City

PENNSYLVANIA
Annville
Philadelphia

PUERTO RICO
Bayamon

SOUTH CAROLINA
Beaufort
Florence

SOUTH DAKOTA
Fort Meade
Hot Springs
Sturgis

TENNESSEE
Chattanooga
Knoxville
Madison
Memphis
Mountain Home

TEXAS
Fort Bliss
Houston
Kerrville
San Antonio (2)

VIRGINIA
Alexandria
Culpeper
Danville
Hampton (2)
Hopewell
Leesburg
Mechanicsville
Quantico
Richmond (3)
Sandston
Staunton
Winchester

WEST VIRGINIA
Grafton

WISCONSIN
Wood

77-066 0 - 81 - 63

NEW VETERANS LEGISLATION

Second Session - 96th Congress

Pub. L. No. 96-173 (H.R. 5025) Veterans Benefits/CHAMPUS

This measure amends the CHAMPUS program to insure retired veterans with service-connected disabilities that care will not be denied under CHAMPUS solely because such care or treatment for service-connected disabilities is available at VA medical facilities.

The Military Medical Benefits Amendments of 1966--Pub. L. No. 89-614 signed September 30, 1966--established the CHAMPUS program, and section 2 of that law precluded the payment of benefits under CHAMPUS for care covered by another health plan provided by law. In 1975 the Department of Defense interpreted this provision to preclude further reimbursement under CHAMPUS for care or treatment of service-connected disabilities that would be available from the VA.

This law provides these retired veterans an option to obtain care from either a local physician or the VA.

Pub. L. 96-330 (H.R. 7102) VA Health Care Personnel Act of 1980

The basic purpose of this law is to aid in the recruitment and retention of health care professionals in the VA hospital system through the institution of more adequate and comparable schedules of compensation and by the establishment of a scholarship program for training of physicians, dentists, nurses and certain other health care professionals.

Title I Physicians and Dentists Pay Comparability

Title I provides increases in special pay for VA physicians and dentists. The September 30, 1981, termination date is repealed making it a permanent pay plan. Incentives are provided to encourage full-time employment including crediting special pay towards computation of retirement annuity for full-time employment of 15 years or more. Health-care professionals in the VA's title 38 personnel system are exempted from the provisions of section 413 of the Civil Service Reform Act of 1978 and title 5 U.S.C. relating to Senior Executive Service. Non-physician hospital directors are converted from the title 5 to the title 38 personnel system and are similarly exempted from the SES provisions. These proposed increases ensure a nominal comparability with DOD and Public Health Service physician's pay. The costs of the additional pay are expected to be offset by replacing a substantial number of contracts for medical service with in-house work and by other savings. The Administrator is to analyze income of Federal and non-Federal health-care professionals and is to make biennial reports to the President recommending changes to insure pay comparability.

Title II VA Health Professional Scholarship Program

This title amends chapter 73 of title 38 to create the VA Hospital Scholarship Program to grant scholarships for certain types of health-related training in exchange for obligated VA employment at slightly reduced salary levels after the completion of training. The agreements are to be reduced to contracts which will specify obligations and monetary damages for breach by the participant. When fully implemented, this legislation will maintain 400 young doctors and 600 nurses in the VA health care delivery system. All scholars are assumed to be full-time and the length of the scholarship is 4 years. Physicians would owe the VA up to a maximum of 6 years service; one year of service for each year in medical school; residency--1/2 year of service for each year of graduate medical education (G.M.E.). Half of those who complete 4 years G.M.E. will be used to replace contract physician services during their period of obligated employment. Upon completion of obligated employment, half of those who replace contract physician services will remain in that capacity. No special pay will be paid to these physicians who have less than 3 years total obligated VA employment and the special pay is 1/2 the normal rate until completion of obligated service. Nursing scholars are assumed to be full-time and the length of scholarship is 4 years. These individuals will owe the VA up to a maximum of 4 years of service--one year of service for each year spent in nursing school.

The young doctors would progress to full pay status on completion of their obligated service and would be in a position to gain added salary through board certifications, service in the system, full bonus pay, retirement credit, and increasing grade and responsibility levels.

Pub. L. 96-330 (H.R. 7102) VA Health Care Personnel Act of 1980 (Cont'd)

Title III Geriatric Research and Care

In order to advance scientific knowledge regarding medical, psychological and social needs of older veterans and to improve the VA's capacity for meeting them, the Administrator is empowered, upon recommendation of the Chief Medical Director, to increase the number of geriatric research, education and clinical centers (GRECCS) located in VA hospitals from the current eight to fifteen. An Advisory Committee on Geriatrics and Gerontology is to be appointed by the Administrator not later than January 1, 1981, and is to be comprised of individuals, other than Federal employees, having expertise in this field. The Committee is to advise the Chief Medical Director on geriatric and gerontology matters, conduct site visits within 3 years following establishment of each new GRECC, and submit a report to the Administrator assessing the quality of operations of the GRECCs. One Assistant Chief Medical Director is to be a physician having extensive experience in geriatrics who will have responsibility for evaluating all of the VA's research, educational and clinical health-care programs in the field of geriatrics. $10 million is authorized to be appropriated for these activities in FY 81 with $25 million for each of the succeeding 3 fiscal years.

Title IV Miscellaneous Amendments

Section 401 amends 38 U.S.C. 622 to substitute for the oath heretofore accepted as presumption of inability to pay for medical care under Chapter 17, any of the following criteria: eligibility for medical assistance under title XIX of the Social Security Act, presence of a service-connected disability, or receipt of VA pension.

Section 402 allows VA revolving supply fund reimbursements to be based on the cost of recent significant purchases and requires the return to the Treasury of amounts in excess of those necessary to maintain adequate inventory levels and to manage the fund.

Section 403 requires a report to the House and Senate Veterans' Affairs Committee 30 days prior to transfers of real property valued in excess of $50,000. Chapter 82 is modified by restricting the VA's authority to lease VA property to medical institutions to terms of less than 50 years.

Section 404 repeals the limitation on the number of beds supported by the VA's State Veterans' Home Program, allowing the Administrator to establish appropriate limits per State.

Section 405 repeals the requirement that a health personnel training institution applying for a VA grant under 38 U.S.C. § 5093 must increase the number of personnel trained as a condition for receiving the grant.

Section 406 clarifies that restrictions on availability of travel funds for Federal executive branch employees and their dependents do not apply to the travel of eligible veterans, dependents or survivors under § 111, 38 U.S.C.

Section 407 grants a one-year extension on the deadline for filing a report on hospital care and medical services in Puerto Rico and the Virgin Islands.

Pub. L. 96-385 (H.R. 7511) Veterans' Disability Compensation and Survivors' Benefits Amendments of 1980

Title I Veterans' Disability Compensation Benefits

A 13% increase is authorized in compensation rates for veterans disabled less than 50% and a 14.3% increase is provided for those disabled 50% or more. The additional compensation for dependents of veterans disabled 30% or more is increased by 14.3% as is the annual clothing allowance.

Title II Survivors Dependency and Indemnity Compensation Benefits

D.I.C. benefits for widows and children and those nonservice-connected benefits paid at the D.I.C. rates under 38 U.S.C. 410b are increased by 14.3%.

Title III Special Home Adaptation Grants for Certain Severely Disabled Veterans

Veterans with service-connected blindness in both eyes, defined as visual acuity of 5/200 or less, or loss of use of both hands are provided grants for special adaptations to housing owned by them or by a member of their families. The amount available is limited to the actual cost of the adaptations deemed reasonably necessary with a $5,000 maximum, and actual and continued residence in the house must be established, or, in the case of housing to be constructed or purchased, reasonable intention to reside.

Pub. L. 96-385 (H.R. 7511) Veterans' Disability Compensation and Survivors' Benefits Amendments of 1980 (Cont'd)

Title IV Veterans' Administration Home-Loan Program Amendments

This title enables veterans who have used their VA loan guaranty to buy homes, mobile homes or mobile home lots, to refinance their original loans at lower interest rates with continued VA loan guaranty. The new loan must be for the same term, must be secured by the same dwelling, and its amount cannot exceed the sum of the balance of the old loan plus allowable closing costs. The amount of the guaranty would remain the same, and the refinanced loan does not use any more loan entitlement. Widows of veterans who had VA loans, if co-obligors, may refinance under the same conditions.

Section 402 increases the maximum loan guaranty amounts from $17,500 to $20,000 for mobile homes and lots and from $25,000 to $27,500 for houses, condominiums and home improvements.

Title V Miscellaneous Provisions

Section 501 extends the VA's authority to maintain a Regional Office in the Republic of the Philippines until September 30, 1985.

VA headstones are authorized to be furnished by Section 502 for burials in State veterans' cemeteries for spouses, surviving spouses, minor children, (or, in the discretion of the Administrator, unmarried adult children) of veterans who are eligible for burial in a national cemetery.

Section 503 rescinds the prohibition against concurrent payment of military retired pay and VA nonservice-connected pension or death pension. The annual amount of the retired pay is counted as income for calculating VA pension.

Section 503(b) amends 38 U.S.C. 3203 to make hospital pension reductions following readmission within 6 months of a period of care of at least 2 months only if an initial reduction had occurred.

New limitations are placed by section 504 on compensation and D.I.C. payments for persons incarcerated in Federal, State or local penal institutions for more than sixty days as a result of felony convictions. The rate payable effective the sixty-first day of confinement for veterans disabled 20% or more is 10%, and for those disabled less than 20% (i.e. 10%, 0% with special "K" monthly compensation, $67 protected TB rate, etc.) and for surviving spouses or children receiving D.I.C., is one-half the 10% rate. The limitations do not apply to those in work-release programs or residing in half-way houses. Amounts not payable because of incarceration may be apportioned to dependents under the regular apportionment criteria except that no apportionment may be made to an apportionee who is in turn incarcerated for conviction of a felony. No unemployability ratings are to be made during such incarceration. The limitations apply prospectively to felonies committed after October 1, 1980, or to awards made after that date for those who were imprisoned on that date.

Section 505 provides that records created under the VA's medical quality-assurance program for the purpose of improving either the quality of medical care or the utilization of health care facilities are confidential and privileged. They may be disclosed only when necessary to a federal agency or private organization for monitoring, licensing or accreditation of health-care facilities, to a federal executive agency or provider of health-care services for joint participation with the VA in a health-care program, to a law enforcement agency upon written request for a purpose authorized by law, or to health-care personnel in a medical emergency.

Names and identifying data are to be deleted prior to any disclosure if the disclosure would be an unwarranted invasion of personal privacy. Persons or entities to whom disclosure has been made are bound by the same limitations on any further disclosures. However, records may not be witheld from any Congressional committee if they pertain to any matter within its jurisdiction, and intra-VA (including VA consultants and contractors) use of the records is not to be hereby limited.

The limitations apply to records already compiled as well as future records. The Administrator is to provide regulations specifying which activities are to be considered part of a medical quality-assurance program. Willful disclosure of a document or record in this class other than as authorized by this section is punishable by a fine of not more than $5,000 for the first offense and $20,000 for each subsequent offense.

Pub. L. 96-385 (H.R. 7511) Veterans' Disability Compensation and Survivors' Benefits Amendments of 1980 (Cont'd)

A minimum number of employees of the American Battle Monuments Commission is established by Section 506 at fifty U.S. citizens, forty-three of which are to be employed abroad, and three hundred forty-eight foreign nationals. These employees are to ensure the adequate maintenance of cemeteries, monuments and memorials for Americans buried overseas.

Section 507 amends Public Law 89-345 to authorize the conveyance by the VA of a four-acre tract of land adjacent to the VA Center in Cheyenne, WY, for use in expanding a roadway or for park and recreational purposes, or both.

Section 508 makes technical amendments in the wording of Public Law 96-330 which allows non-physician VA hospital directors to be considered for Senior Executive Service bonuses.

Pub. L. 96-466 (H.R. 5288) Veterans' Rehabilitation and Education Amendments of 1980

Title I Rehabilitation Amendments

The purpose of these amendments is to modernize the vocational rehabilitation program by providing all services and assistance necessary to enable veterans with service-connected disabilities to not only become employable, but to secure and maintain suitable employment, or, if this is not feasible, to achieve the maximum possible degree of independence in the ability to perform daily living tasks. Basic entitlement to benefits under this rehabilitation program requires the existence of an employment handicap, defined as an impairment of ability to prepare for, obtain or retain suitable employment. The applicant must also be either a veteran with a compensable service-connected disability incurred on or after September 16, 1940, or a hospitalized service person pending discharge and the Administrator determines that the disability for which the person is hospitalized will likely be compensable as a service-connected condition.

The period of eligibility is extended by section 1503 to 12 years following discharge, except that the period shall not run during a period in which the veteran was prevented from participating in the program for medical reasons, or during the period when the existence of a service-connectd disability had not been established. The Administrator may extend the period of eligibility if need is determined and the veteran had not previously been rehabilitated to the point of employability. In cases where employability had been achieved, eligibility may be extended if the service-connected condition has either worsened or the occupation already trained for is not suitable, considering the veteran's handicap and capabilities. The program of independent living services may also be extended beyond the 12-year period at the Administrator's discretion.

Section 1504 provides specific statutory authority for rehabilitation services to include evaluation and periodic reevaluation of the veteran's potential for rehabilitation or improvement of independent living status, educational, vocational, psychological, employment and personal adjustment counseling, a work-study allowance, job placement services and work-adjustment training. In addition to the books, tuition, fees, equipment and medical care previously paid for by the VA, licensing fees, individualized tutorial assistance, eye glasses, prosthetic appliances and other corrective devices are specifically authorized by statute.

Services to a veteran's family may be provided to aid effective rehabilitation. Veterans disabled to the extent of requiring homebound training or self-employment may receive equipment, supplies and license fee payment; and blind veterans may receive special services including telecommunications, sensory and other technical aids.

Section 1505 provides that vocational rehabilitation programs may last for up to 48 months with counseling, placement and postplacement services for an additional 18 months. In cases where the feasibility of attaining a vocational goal is not immediately ascertainable, an evaluation period for which the maximum duration is 12 months with necessary extensions of up to 6 months each. The Administrator may extend the duration of a vocational rehabilitation program if the veteran has a serious employment handicap, or in the case of a veteran previously rehabilitated, if the service-connected disability has worsened or the occupation for which the veteran was rehabilitated is not suitable in terms of the employment handicap. A program of independent living services is not to exceed 24 months unless extended based on the likelihood of a substantial increase in the level of independence.

Section 1506 directs that the applicants shall be provided with an initial evaluation to determine entitlement, the existence of a serious employment handicap, and the feasibility of attaining a vocational goal. If an initial evaluation cannot determine such feasibility, extended evaluation is to be provided, accompanied by those services necessary to improve the potential for achieving a vocational goal. Any reasonable doubt regarding the feasibility of achieving a vocational goal is to be resolved in favor of determining achievement to be feasible.

An individualized written plan of vocational rehabilitation is to be formulated under section 1507 consisting of a statement of long-range and intermediate goals, the specific services to be provided, the beginning date and anticipated duration of each service, and an evaluation schedule for determining whether the goals are being achieved. The plan is to be reviewed at least annually with the veteran's participation, and, if appropriate, approval may be given for a redeveloped plan. The veteran is to be informed of the opportunity for review of any plan, redeveloped plan, or disapproval of a redeveloped plan and, upon submission of written objections, is to be furnished a decision within ninety days.

The subsistence allowance paid veterans enrolled in a vocational rehabilitation program is increased by 17% over the current rates established on October 1, 1977. The allowance is not payable during the period of initial evaluation, when only counseling placement or postplacement services are being provided, or if the veteran elects to receive Chapter 34 benefits as part of the vocational rehabilitation program. The allowance is reducible proportionately to wages or compensation received from any on-the-job training that is a part of a vocational rehabilitation program. If such training is with a Federal agency without pay or at a nominal rate of pay, the subsistence allowance is to be paid at the institutional rate.

Room and board may be paid to a specialized facility in which a veteran is pursuing a rehabilitation program on a residential basis in lieu of the basic subsistence allowance, with the veteran receiving directly any amounts payable on account of dependents.

No subsistence allowance is payable during a period of incarceration for a felony conviction, or as a result of a felony conviction during residence in a halfway house or participation in a work-release program where all living expenses are paid by the Federal, State or local government. Apportionments in effect prior to October 1, 1980, may continue unaffected by this provision.

Chapter 34 benefits may be elected as part of a vocational rehabilitation program in lieu of the Chapter 31 subsistence and tuition assistance, but most other Chapter 31 services are provided. Regardless of which benefit is paid, the amount may not exceed, for veterans temporarily receiving compensation at the 100% rate during hospitalization, the greater of either the sum of the regular compensation and the subsistence allowance or the 100% rate.

Advance payments of subsistence allowance are authorized in accordance with the advance pay provisions of 38 U.S.C. 1780(d).

Leaves of absence from the vocational rehabilitation program may be granted by regulation, during which the veteran is considered to be pursuing the program. Rules to promote satisfactory conduct and cooperation are to be prescribed under section 1511, the breach of which are, in the absence of mitigating circumstances, grounds for discontinuance of services and assistance. Reinstatement may be made if the cause of the unsatisfactory conduct or cooperation has been removed and the proposed continued or revised program is suitable to the veteran's abilities and aptitudes.

The longstanding revolving loan fund may now be utilized to make interest-free loans in amounts up to twice the monthly full-time single institutional subsistence allowance rate. Repayment may be enforced by deductions from future compensation, pension, subsistence allowance, educational assistance allowance or retirement pay.

Section 1513 provides that services and assistance may be provided to veterans in VA or other hospitals or medical facilities and, with the exception of the subsistence allowance, to hospitalized service persons pending discharge.

Vocational rehabilitation outside the United States is permitted by section 1514 if it is necessary to make the veteran employable and is in the best interest of the Federal government.

Section 1515 allows the Administrator to use the facilities of the VA or any Federal agency to provide training or work experience with nominal or no pay as part or all of a vocational rehabilitation program. Veterans in such programs are considered employees for workmen's compensation purposes but not for purposes of other Office of Personnel Management laws. Facilities and services of any Federal, State or other public agency, private institution or individual may also be procured by contract or other arrangement.

Under section 1516, VA staff outreach efforts to employers and coordination with Federal, State and local agencies and nongovernmental agencies are to be used to promote employment opportunities for service-connected veterans, disabled or Vietnam era veterans or for veterans who are or have participated in a vocational rehabilitation program. Payments may be made to employers for on-job training to rehabilitated veterans in amounts not to exceed the direct costs of providing such training.

Employment assistance is to be provided veterans with service-connected disabilities who have participated in a vocational rehabilitation program under this chapter or under the Rehabilitation Act of 1973, to consist of direct placement in employment, utilization of outreach program specialists or of job placement services under the Rehabilitation Act. The State employment service, the Veterans' Employment Service of the Labor Department, the Office of Personnel Management, and any other public or nonprofit organization having placement services available are to be utilized.

For those veterans completing a vocational rehabilitation program for self employment requiring the purchase of equipment to start a business, the VA is to assist in the securing of a loan from the Small Business Administration to include seeing that the special consideration afforded veterans under 15 U.S.C. 633(b) is received.

In order to insure that the rehabilitation services provided veterans utilize the most advanced knowledge and techniques, the VA may hire consultants, provide on-going training for counseling and rehabilitation personnel, coordinate such training with the Labor Department's Rehabilitation Services Administration and set qualifications for personnel providing evaluation and rehabilitation services. The Administrator is also authorized by section 1519 to conduct studies to research new methods of rehabilitation and to support such studies with grants to or contracts with public or non-profit organizations.

Section 1520 outlines the program of independent living services and assistance. It is to be a 4-year pilot program beginning in fiscal year 1982 and is limited to 500 veterans per fiscal year who meet basic Chapter 31 eligibility criteria to be prescribed by the Administrator to include infeasibility of achieving a vocational goal. To the maximum extent feasible, veterans who are long-term patients in VA hospitals, nursing homes and contract nursing homes are to be included. The independent living services and assistance may be provided through DM&S or by contract with public or nonprofit organizations, with any contract begun prior to the end of fiscal year 1985 being allowed to continue beyond that date. The same right to a written individualized plan as provided in section 1507 is to apply to this program. A report is to be furnished Congress not later than September 30, 1984, on the accomplishments and cost-effectiveness of this program together with recommendations for any legislative changes.

An Advisory Committee on Rehabilitation is to be appointed by the Administrator under section 1521 with members drawn from the general public and including representatives from DM&S, DVB, the Education Department's Rehabilitation Services Administration, the Labor Department's Assistant Secretary for Veterans' Employment, and the National Institute for Handicapped Research. The Committee is to provide, through regular consultation and in an annual report, a copy of which is to accompany the Administrator's report to Congress, an assessment of the rehabilitation needs of veterans and a review of the VA's programs designed to meet those needs.

The prohibition against concurrent payment of VA educational assistance with courses of education paid for either by the Armed Forces for persons on active duty or under the Government Employee's Training Act for persons receiving full salary during training, is extended to include Chapter 31 subsistence allowance.

38 U.S.C. 1795 is amended to permit aggregate assistance under Chapter 31 in combination with Chapters 32, 34, 35, 36 and the former Chapter 33 in excess of 48 months if it is determined that additional months are needed to accomplish the purposes of a rehabilitation program.

Pub. L. 96-466 (H.R. 5288) Veterans' Rehabilitation and Education Amendments of 1980 (Cont'd)

Title II GI Bill Rate Increases

Chapter 34 and 35 assistance is increased by 10% in two increments, 5% effective October 1, 1980, and the balance effective January 1, 1981.

Title III Educational Assistance Program Adjustments

Sections 301 and 322 amend the eligibility time provisions to require that an application for an extension of the Chapter 34 or 35 delimiting date based upon a physical or mental disability not the result of the individual's own misconduct be submitted within one year of either the original delimiting date, the termination of the period of disability, or the effective date of this law, whichever is the latest.

Sections 302 and 324 clarify that failure of an educational institution or training establishment, as well as a particular educational program, to meet any Chapter 34, 35 or 36 requirement would justify disapproval of an application for benefits.

The wording of the "50% employment rule" for Chapter 34 and 35 vocational courses is sharpened by sections 303 and 325 to require a showing of a post-completion employment of an average of 10 hours per week in the occupational category for which the course was to provide training. Institutions having less than 35% VA enrollment during the two preceding years are exempt from this rule if the course has met the revised requirements of the rule for any 2-year period ending on or after the date of enactment of this law. The requirement may be waived to avoid an undue hardship on an institution having a small proportion of eligible veterans and eligible dependents.

Sections 304 and 326 soften the restrictions on approval of Chapter 34 and 35 programs including courses containing open circuit television instruction by deleting the requirement that the major portion of the course be through conventional classroom or laboratory attendance.

Section 305 modifies the "85-15" rule by eliminating from inclusion in the calculation of the 85% of students enrolled who have all or part of their tuition and fees paid, those persons who receive Pell grants (Basic Educational Opportunity Grants as renamed by Pub. L. 96-374) and Supplemental Educational Opportunity Grants.

Sections 306 and 328 eliminate the statutory formula for determining rate of progress. This had been based on graduation within an approved length of time in accordance with certified training time, including allowable extensions and providing for mitigating circumstances. The prescribed standards of the institution are now to be the sole criteria.

Sections 307 and 327 codify the requirement that, for attendance at foreign institutions, the course enrolled in, as well as the institution itself, must be approved by the VA, and amends the definition of "institution of higher learning."

Section 308 stipulates the entitlement that is to be charged for training while on active duty or training at a less than half-time rate.

Sections 309 and 330 provide a basis for calculating entitlement to be charged for independent study when pursued separately or in combination with resident training and section 310 stipulates the same criteria shall be followed for open circuit television courses.

Section 311 provides for payment to a veteran or spouse or surviving spouse at the full-time institutional rate, or a rate equal to the cost of tuition and fees, whichever is less, for pursuit of a program to obtain a secondary school diploma or equivalency certificate, with no charge to entitlement, and permits service persons on active duty to pursue such training where they do not have such a diploma or certificate.

Section 312 excludes a veteran's parent, spouse, child, brother or sister from functioning as qualified tutors for purposes of VA tutorial assistance payments.

Section 321 provides that a child's Chapter 35 eligibility due to a veteran being listed for more than 90 days as either missing in action or detained by a hostile force or foreign government shall, if it occurs between the child's 18th and 26th birthdays, extend for 8 years, but not beyond the 31st birthday.

Pub. L. 96-466 (H.R. 5288) Veterans' Rehabilitation and Education Amendments of 1980
(Cont'd)

Section 323 amends 38 U.S.C. 1720 and 1761 to make counseling for children of veterans optional in all cases, it having previously been mandatory for enrollment in other than standard college degree courses.

Section 329 substitutes the administrative provisions of Chapter 36 as to determination of enrollment and attendance for the student certification with school endorsement requirement of 38 U.S.C. 1731(b).

Section 321 restricts eligiblity for special restorative training under Chapter 35 to children of veterans.

The prohibition against payment of educational assistance during standard degree enrollments when the eligible person is not pursuing the course in accordance with the policies of the institution or the requirements of Chapters 34, 35 or 36 is enlarged by section 341 to include periods in which the course is not pursued in accordance with regulations prescribed under 38 U.S.C.1780(g). That subsection is in turn modified to make the VA's regulations definitive of what constitutes enrollment in, pursuit of, or attendance at any program of education or training.

Section 342 allows payments to continue during teacher conference sessions in non-college degree programs, in addition to the maximum 30 day allowable period of absences previously allowable, provided such sessions do not exceed 5 days in any 12-month period.

Section 343 requires veterans or eligible persons, as well as the educational institution, to report their enrollment and any interruption or termination without delay. The institutions' reporting fee is to be paid only after certification is received that it has exercised reasonable diligence to insure that it and any approved course offered by it meets all applicable requirements of Chapters 34, 35 and 36 and that any failure to meet such requirements will be reported without delay.

Section 344 tightens the overpayment provisions of 38 U.S.C. 1785 by stipulating that waiver of an overpayment does not release the educational institution from liability due to failure to report or false reporting, the latter being clarified to include either willful or negligent false certification. VA regulations providing that an overpayment made to a veteran or eligible person constitutes a liability to the United States are codified by this section.

Section 345 adopts current VA regulations pertaining to measurement of undergraduate courses. Training time is to be computed by numbers of hours for a course offered in residence on a standard quarter or semester hour basis which must require regularly scheduled instruction at the rate of one standard class session per week throughout the quarter or semester for each hour of credit. A "standard class session" is to consist of one hour (or fifty minute period) of academic instruction, two hours of laboratory instruction, or three hours of workshop training.

Provision is also made for a non-traditional curriculum by classifying such undergraduate courses as full-time if they are so treated by the institution for all purposes including payment of tuition and fees, awarding credit toward graduation, and transfer of credits to traditional undergraduate courses. In addition, the course must require standard class sessions for each credit on a frequency of at least every two weeks adding up to a monthly total equal to that of a traditional course, and less than fifty percent of the persons enrolled in such a course can be receiving VA educational assistance.

Section 346 directs the formation of an advisory committee which is to be consulted on the administration of Chapters 32, 34, 35 and 36 and is to make reports to the Administrator and Congress. It is to be comprised of distinguished persons from the fields of education, labor and management, and representatives of both veterans from World War II through the post-Vietnam era and educational institutions furnishing education to those veterans or eligible persons. The committee is to remain in existence until December 31, 1989.

TITLE IV Post-Vietnam Era Veterans' Educational Assistance Program Adjustments

Section 401 allows eligibility under Chapter 32 for certain persons who were not currently eligible under either Chapter 32 or Chapter 34.

Section 402 provides that unused Chapter 32 fund contributions shall be paid on the death of the participant to the first living person of the following: the beneficiary or beneficiaries designated in a SGLI policy, the spouse, child or children in equal shares, parent or parents in equal shares, or, if none are living, to the participant's estate.

Pub. L. 96-466 (H.R. 5288) Veterans' Rehabilitation and Education Amendments of 1980 (Cont'd)

Section 403 enables active duty personnel to receive Chapter 32 benefits to attain a secondary school diploma or equivalency certificate during the last six months of their first enlistment, or thereafter, without charge to entitlement (also see Sec. 311), and repeals authority for pursuant of PREP courses.

Section 404 includes the Chapter 32 program in the 48 month limitation of 38 U.S.C. 1795 on participation in two or more assistance programs.

Section 405 extends eligibility for Chapter 34 counseling services to Chapter 32 participants.

The minimum monthly Chapter 32 contribution is lowered by section 406 from $50 to $25 and the maximum is raised from $75 to $100. Lump sum contributions are permitted in addition to or in lieu of the monthly payments.

Title V Veterans' Employment Assistance Amendments

Section 501 directs the Administrator to promote, in consultation with the Secretary of Labor, training opportunities for veterans with special emphasis on the needs of service connected disabled veterans; section 502 similarly directs the development of on-the-job training utilizing disabled veterans' outreach program specialists.

For purposes of job counseling, training and placement action section 503 (by reference to 38 U.S.C. § 2011), defines a "special disabled veteran", defines "veteran of the Vietnam era" and amends the definition of eligible veterans by adding the requirement of service of more than 180 days or discharge or release because of a service connected disability. Veterans with less than 181 days of service are to be provided employment assistance and service under the Wagner-Peyser Act and CETA.

Section 504 amends Chapter 41 of Title 38 to elevate the position of Deputy Assistant Secretary of Labor for Veterans' Employment to the rank of Assistant Secretary with the current position remaining in existence until the new position is filled.

Section 505 requires the Secretary of Labor to furnish full-time clerical support to each State representative of the Veterans' Employment Service.

Section 506 directs the Secretary of Labor to make sufficient funding available for a disabled veterans' outreach program to provide one outreach specialist for each 5,300 disabled and Vietnam era veterans in each state. The specialists, who are to be veterans with preference given disabled Vietnam veterans, are to develop jobs, job training and apprenticeship opportunities, locate eligible veterans through contacts with the VA and veterans' organizations, assist in providing services under CETA, assist local employment offices with responsibility for veterans, and consult with other Federal, State and local program representatives to promote employment assistance for veterans. Priorities for these services are to be given to disabled Vietnam veterans who have completed a vocational rehabilitation program under Chapter 31 followed by other disabled veterans.

In the Secretary of Labor's administrative controls governing employment assistance under Chapter 41, the priorities previously given to recently discharged veterans are to be reassigned to Vietnam era and disabled veterans. The Secretary's annual report to Congress is to be modified to state the number of veterans in various categories which were referred to and placed in permanent jobs.

The eligibility of Vietnam veterans for preferential Federal employment and affirmative action hiring by government contractors under Chapter 42 is liberalized by sections 508 and 509 which deletes the 48 month period following discharge within which employment application must be made, and extends eligibility to December 31, 1991. Entitlement to compensation for a disability rated 30% or more is retained as the eligibility criterion for disabled veterans, now designated "special disabled veterans." The scope of agencies covered by this chapter is expanded to encompass any agency of the District of Columbia and any Executive agency as defined by 5 U.S.C. 105 which includes executive departments, corporations owned or controlled by the U.S. government and independent establishments, such as GAO.

Vietnam era and special disabled veterans who believe a government contractor has failed or refused to comply with the required contractual affirmative hiring provisions may file a complaint directly with the Secretary of Labor rather than with the Veterans' Employment Service. However, the provision allowing filing complaints against such contractors alleging discrimination because of a complainant's handicapped condition has been deleted.

Qualified special disabled veterans and Vietnam era veterans are to be given preference in employment by the Veterans Administration for positions as veterans' benefits counselors, veterans' claims examiners, veterans' representatives on campus, outreach service specialists and readjustment counselors.

To achieve consistency with Department of Defense policy, section 511 reduces the initial active duty time for Armed Forces Reservists achieving reemployment rights under Chapter 43 from 3 consecutive months to 12 consecutive weeks.

Section 513 requires the Bureau of Labor Statistics Commissioner to tabulate in the annual report, and in other reports where feasible, labor market statistics for veterans who served in the Vietnam theatre of operations separately from those of Vietnam era veterans. Service in the Vietnam theatre is defined as service in Vietnam, in air missions over it and in naval operations in the adjacent waters.

Title VI Cost-Saving Provisions

Section 601 repeals authority for pursuit of PREP training under Chapter 32 together with a number of statutory provisions retained in chapter following repeal of PREP authority under the chapter in 1976.

Section 602 restricts the amount of educational assistance allowance to veterans or other eligible persons incarcerated for conviction of felonies in Federal, State or local penal institutions to that necessary to cover tuition, fees and essential books and supplies, or at the single veteran rate, whichever is less. This restriction also applies to residence in a halfway house or participation in a work-release program as the result of a felony conviction if all living expenses are paid by the Federal, State or local government. If tuition and fees are paid under any Federal, State or local program, no educational assistance is payable to the veteran. Any apportionments made prior to the date of enactment of this law may continue unaffected by this section.

The amount of flight instruction reimbursable by the VA is reduced from 90% to 60% and that of correspondence courses is reduced from 90% to 70% by sections 603 and 604. However, these reductions do not apply to those enrolled on September 1, 1980 as long as continuous enrollment and eligibility is maintained. An additional amelioration to the reduction is that the bar against education loans for enrollment in flight programs is lifted.

Section 605 requires deductions of any indebtedness, unless waived, resulting from participation in a benefits program, from any future payments made by the VA. Prior to making such deductions, the VA must make reasonable efforts to notify the person of the right to dispute the existence or the amount of the debt and the right to request its waiver, must make a determination regarding any resulting dispute or request (unless the time required to do so would jeopardize the ability to recover the full amount through deduction), and must notify the person of the proposed deductions. There is to be no time limitation on commencing such deductions or on taking any other actions to collect the debt, e.g. denying loan guaranty while the debt remains unpaid or disclosing information to a consumer reporting agency to affect the debtor's credit rating.

Interest and administrative costs are to be added to the amount of any indebtedness resulting from participation in the following: a benefit program, the VA's health care services under 38 U.S.C. Chapter 17, loans, loan guaranties or loan insurance to the extent permitted by the terms of the loan instruments concerned. The interest is to be at the same rate paid by the U.S. government for its borrowing, may be waived under 38 U.S.C. 3102, and is to accrue from the date of initial notification to the individual of the debt, using the most current available address, but is not to be charged for any period prior to October 1, 1980 or if the debt is paid within what effectuating regulations will prescribe as constitutes a reasonable period of time. Administration costs will consist of those costs incurred by the government in collecting as are determined by regulation to be reasonable and appropriate.

VA attorneys are to be authorized by regulations to be promulgated within 90 days following enactment to file suit in any court of appropriate jurisdiction to recover any indebtedness due to participation in a VA benefits program. Such suits are to be filed only after it has been determined that the debtor has failed to respond to reasonable collection efforts. The attorneys' activities in such proceedings are to be under the direction of the Attorney General and subject to his terms and conditions. The Administrator and the Attorney General are to submit to the Congress a joint report outlining actions taken to implement the authority to file these collection suits.

Pub. L. 96-466 (H.R. 5288) Veterans' Rehabilitation and Education Amendments of 1980 (Cont'd)

Section 606 covers amendments to the circumstances under which disclosures of information may be made. Disclosure of information from the files, records and other documents held by the VA are now authorized to be made when deemed necessary and proper in connection with any proceeding for the collection of any overpayment. The amount of any VA payment to any beneficiary is to be disclosed to anyone on request. Any appraisal in connection with a VA guaranteed loan is to be disclosed on request. When approved by the President, the Administrator may publish any information pertaining to any VA claim if he determines it is in the public interest.

Disclosure may be made to a consumer reporting agency (credit bureau) if a person is indebted to the government due to participation in a benefit program if it is necessary to either locate the individual in order to conduct any study required by law or to obtain a report to assess the ability of the person to repay the debt. For these purposes, identifying information may be released to the consumer reporting agency but not information reflecting the indebtedness or which would otherwise adversely affect the individual's credit rating or privacy.

However, if the person has failed to respond appropriately to reasonable collection efforts, indebtedness information may be released to a consumer reporting agency for inclusion in the person's credit rating providing reasonable efforts have been made to notify the person of the right to dispute the debt or request waiver and thirty days have elapsed after notification that such release would be made. The name and address of each consumer reporting agency to whom disclosure has been made is to be released to the debtor upon request. The VA is to report any subsequent change in the status or amount of the indebtedness to the consumer reporting agency.

The name, address and other information as to the identity of a current or former member of the Armed Forces may be released to enable determinations or verifications to be made of the creditworthiness, income or financial resources of any person applying for a loan guaranty or submitting an offer to purchase property from the VA. Contracts entered into with consumer reporting agencies or action taken pursuant to obtaining locations or credit reports are immune from the provisions of 5 U.S.C. 552a relating to release of information to the public on request or by court order.

Title VII Miscellaneous Provisions

Section 701 requires the Administrator to actively promote the effective implementation, enforcement and application of all veterans preference provisions of the law.

Section 702 clarifies that disclosures made to the VA from records obtained by the National Institute of Occupational Safety and Health from IRS records do not violate the criminal strictures against unauthorized disclosure in the Internal Revenue Code of 1954.

Section 703 limits the application of section 303 of Pub. L. 96-151, a provision which shortened the probationary period for certain DM&S employees from 3 to 2 years, to employees hired on or after December 20, 1979.

Section 704 includes VA police officers and investigators in the class for which it is a Federal offense to kill, assault or interfere with in the performance of their duties.

Title VIII Technical Amendments and Effective Dates

The title includes technical amendments to the wording of various sections of title 38 and Pub. L. No. 95-202, savings provisions, and a general effective date for the law of October 1, 1980. Many of the provisions of the revised chapter 31 do not go into effect until April 1, 1981.

BUDGET AUTHORITY
FY 1973-FY 1982

(thousands of dollars)

Appropriation/Fund Account	Actual								Estimate Rev.	
	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Federal funds:										
General operating expenses	319,513	349,809	432,028	483,300	525,633	581,850	631,675	611,609	691,259	603,723
Benefit programs:										
Compensation and pensions	6,433,000	6,743,800	7,539,400	8,249,200	8,982,500	9,636,400	...	...		
Compensation	...	...	...	...	...	...	6,909,452	7,357,300	8,583,520	8,657,900
Pensions	...	...	...	...	...	...	3,554,848	3,678,800	3,840,500	4,094,900
Burial benefits and miscellaneous assistance	...	...	...	...	...	...	178,545	185,700	198,400	204,000
Readjustment benefits	2,707,400	3,353,000	4,476,229	6,014,475	3,983,900	2,617,778	2,509,595	2,318,535	2,039,808	1,651,000
Veterans insurance and indemnities	4,400	...	8,750	6,600	7,000	3,712	5,750	5,400	6,100	8,500
Grants for the construction of State veterans cemeteries	...	...	...	...	...	...	...	5,000	5,000	...
Payment of participation sales insufficiencies	499	261	...	...	...	...	...	...	...	...
Loan guaranty revolving fund	4,501	4,139	1,828	...	...	...	...	...	...	...
Education loan fund	...	...	74,509	...	...	17,200	...	...	...	...
Vocational rehabilitation revolving fund	...	...	97	100	...	...	...	...	1,250	...
Total benefit programs	9,149,800	10,101,200	12,100,813	14,270,375	12,973,400	12,275,090	13,158,190	13,530,735	14,274,758	14,423,300
Medical programs:										
Medical care	2,606,080	2,859,076	3,317,520	3,854,456	4,373,807	4,924,649	5,374,374	5,832,039	6,325,958	6,274,891
Medical and prosthetic research	77,988	76,142	91,377	97,309	104,533	111,053	122,847	125,847	138,248	145,699
Medical administration and miscellaneous operating expenses	28,737	33,950	37,508	38,528	39,941	43,316	47,058	48,205	52,809	58,400
Grants for construction of State extended care facilities	6,000	...	9,700	10,000	10,000	15,000	10,000	7,500	15,000	19,000
Grants to the Republic of the Philippines	2,000	2,000	2,050	2,100	2,100	1,700	500	1,350	1,200	...
Assistance for health manpower training institutions	20,000	25,000	10,000	30,000	45,045	53,411	104,905	...	...	...
Construction and operation of garage and parking facilities	...	...	...	...	...	...	...	...	...	4,692
Supply fund	...	...	...	29,001	...	20,000	...	...	...	...
Total medical programs	2,740,805	2,996,168	3,468,155	4,061,394	4,575,426	5,169,129	5,659,684	6,014,941	6,533,215	6,901,682
Construction programs:										
Construction of hospital and domiciliary facilities	...	...	...	...	...	...	...	...	...	...
Construction, major projects	125,993	68,343	251,127	297,464	405,681	393,689	365,560	321,292	261,414	429,930
Construction, minor projects	55,000	42,218	51,894	106,426	92,791	95,234	86,345	73,233	109,911	116,479
Total construction programs	180,993	110,561	303,021	403,890	498,472	488,923	451,905	394,525	371,325	546,409
Total appropriations (adjusted)	12,391,111	13,557,738	16,304,017	19,218,959	18,572,931	18,514,992	19,901,414	20,551,810	22,241,257	22,675,614

BUDGET AUTHORITY
FY 1973-FY 1982

Table continued

(thousands of dollars)

Appropriation/Fund Account	Actual								Estimate Rev.	
	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Federal funds (Continued):										
Proposed legislation:										
Compensation	...	...	...	...	...	...	...	...	...	946,000
Readjustment benefits	...	...	...	...	...	...	...	...	-14,000	-33,300
Medical care	...	...	...	...	...	...	...	...	-26,000	-104,913
General operating expenses	...	...	...	...	...	...	...	...	-180	-625
Post-Vietnam era veterans education account 1/	...	...	...	...	...	...	...	...	...	30,500
Proprietary Receipts from the public 2/.	...	...	...	...	...	...	...	...	...	-30,580
Total proposed legislation	...	...	...	...	...	...	...	...	-40,180	806,202
Contract authority (permanent, indefinite:)										
Supply fund	2,475	10,576	20,000	...	...	...	...	...	...	...
Deduct: Proprietary receipts from the public	-1,996	-2,081	-2,145	-1,549	-679	-3,138	- 3,821	- 2,973	-3,073	-3,073
Total federal funds	12,931,591	13,566,233	16,321,872	19,217,410	18,572,252	18,511,854	19,897,595	20,549,360	22,198,004	23,476,748
Trust funds:										
Post-Vietnam era veterans education account	...	...	...	...	3,321	31,736	70,788	111,302	153,927	121,100
General post fund	3,700	3,854	4,001	4,808	5,497	6,305	6,460	7,414	7,500	7,300
National service life insurance	798,095	808,432	835,070	851,629	912,821	959,727	982,543	1,044,166	1,134,700	1,111,900
U.S. Government life insurance	39,066	38,444	37,678	37,687	37,402	36,153	38,310	37,968	44,200	41,600
Total trust funds (gross)	840,801	850,730	876,751	894,123	959,041	1,013,920	1,098,101	1,200,850	1,329,527	1,352,900
Deduct: Proprietary receipts from the public	-494,660	-475,237	-471,778	-458,042	-486,982	-512,960	- 526,328	- 572,587	-617,615	-615,028
Total trust funds (net)	346,141	375,993	404,973	436,081	472,059	500,960	571,773	628,263	711,912	737,872
Deduct: Intragovernmental transactions	-2,428	-2,185	-2,101	-2,140	-2,148	-2,472	- 2,369	- 3,014	-9,475	-14,124
Total Veterans Administration	12,735,303	13,939,443	16,724,744	19,651,351	19,042,164	19,010,342	20,466,997	21,174,609	22,900,441	24,202,496

1/ Trust fund - amount included in total trust funds (gross).
2/ Trust fund receipt - amount included in trust fund proprietary receipts.

BUDGET OUTLAYS
FY 1973-FY 1982

(thousands of dollars)

	Actual								Estimate Rev	
	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Federal funds:										
General operating expenses	314,496	336,976	444,566	475,699	510,265	558,082	603,295	629,972	640,260	602,013
Benefit programs:										
Compensation and pensions	6,544,234	6,633,219	7,580,708	8,178,323	8,999,596	9,572,817	...	...	8,452,400	8,642,900
Compensation	...	...	...	...	...	...	6,743,320	7,433,501	3,639,500	4,074,600
Pensions	...	...	...	...	...	...	3,521,725	3,585,368	196,100	203,600
Burial benefits and miscellaneous assistance	...	...	...	...	...	...	176,881	183,213	2,020,650	1,668,000
Readjustment benefits	2,751,481	3,248,899	4,591,079	5,526,562	3,700,004	3,361,716	2,810,812	2,416,976	9,700	8,500
Veterans insurance and indemnities	10,248	3,468	9,095	6,146	7,922	3,459	4,421	3,919	5,000	3,000
Grants for the construction of State veterans cemeteries	...	...	...	...	...	...	...	234	- 42,346	25,254
Loan guaranty revolving fund	-148,783	64,602	71,555	-21,794	660	80,236	207,112	27,557	-119,240	- 72,133
Direct loan revolving fund	-241,122	-99,388	-41,447	-43,027	-138,723	-38,990	-65,358	-67,154	- 5,000	- 3,000
Service-disabled veterans insurance fund	-1,560	5,150	-1,161	999	-1,509	2,119	895	2,789	...	...
Soldiers' and sailors' civil relief	-1	2	...	...	...	...	...	...	- 21,300	- 20,800
Veterans reopened insurance fund	-32,652	-31,748	-32,387	-34,372	-27,227	-28,624	-27,900	-17,227	2,850	1,300
Education loan fund	...	...	1,402	4,950	13,320	34,593	6,367	3,338	964	272
Vocational rehabilitation revolving fund	152	37	86	-90	64	-1	23	8	145	...
Servicemen's group life insurance fund	11,363	-2,623	2,624	...	...	-464	464	-146		
Total benefit programs	8,893,361	9,821,619	12,181,513	13,617,697	12,554,107	12,936,861	13,378,760	13,572,377	14,431,423	14,530,997
Medical programs:										
Medical care	2,512,316	2,789,001	3,405,059	3,694,959	4,290,617	4,809,318	5,159,544	5,981,288	6,265,646	6,653,173
Medical and prosthetic research	74,054	77,696	93,196	93,559	104,460	111,747	117,270	130,912	137,994	145,699
Medical administration and miscellaneous operating expenses	24,885	29,847	36,187	35,655	38,668	41,645	42,621	50,052	52,759	53,400
Grants for construction of State extended care facilities	2,580	3,653	3,441	9,313	7,828	6,900	14,303	14,223	5,405	9,153
Grants to the Republic of the Philippines	1,766	1,999	1,975	1,796	2,045	1,770	187	1,330	1,200	320
Assistance for health manpower training institutions	...	...	5,937	22,680	31,109	39,533	40,672	42,406	49,529	22,005
Construction and operation of garage and parking facilities	...	...	...	...	...	...	...	-122	- 160	4,692
Canteen service revolving fund	-1,672	-3,441	-304	-48	1,114	-2,788	-3,250	-887	- 943	- 3,650
Rental, maintenance and repair of quarters	17	-8	...	...	...	...	...	...	...	...
Special therapeutic and rehabilitation activities fund	...	...	...	...	-76	-161	-164	-191	- 255	-257
Supply fund	-1,403	-7,585	-17,929	74,521	7,820	43	-7,596	-4,249	4,700	-400
Consolidated working fund	3	-134	-573	-738	297	-250	3	1,369	...	...
Total medical programs	2,612,546	2,891,028	3,526,989	3,931,697	4,483,882	5,007,758	5,363,590	6,216,131	6,516,475	6,738,735

BUDGET OUTLAYS
FY 1973-FY 1982

Table Continued

(thousands of dollars)

Appropriation/Fund Account	Actual								Estimate Rev.	
	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Federal funds (Continued):										
Construction programs:										
Construction of hospital and domiciliary facilities	71,121	34,927	12,728	5,832	...	...	...	...	...	...
Construction, major projects	14,014	41,170	67,913	138,706	168,402	161,930	150,232	189,506	248,945	352,143
Construction, minor projects	10,674	27,621	38,251	43,101	65,438	81,332	86,265	105,168	101,134	93,453
Construction, Corregidor-Bataan Memorial	38	...	...	...	...	...	...	...	...	...
Total construction programs	95,846	103,718	118,893	187,638	233,841	243,262	236,497	294,675	350,101	445,596
Total appropriations and funds	11,916,248	13,153,342	16,271,961	18,212,731	17,782,094	18,795,962	19,582,143	22,713,155	21,938,259	22,467,341
Proposed legislation:										
Compensation	...	...	...	...	...	...	...	...	...	867,200
Readjustment benefits	...	...	...	...	...	...	...	...	-14,000	-32,200
Medical care	...	...	...	...	...	...	...	...	-26,000	-106,213
General operating expenses	...	...	...	...	...	...	...	...	-180	2,885
Proprietary receipts from the public 1/	...	..	...	...	...	...	...	...	...	-30,580
Total proposed legislation	...	...	...	...	...	...	...	...	-40,180	696,982
Deduct: Proprietary receipts from the public	-1,996	-2,081	-2,145	-1,549	-679	-3,138	-3,821	-2,450	-3,073	-3,073
Total federal funds	11,914,252	13,151,261	16,269,816	18,211,182	17,781,415	18,792,824	19,578,322	20,710,705	21,895,006	23,191,470
Trust funds:										
Post-Vietnam era veterans education account	...	...	...	...	...	10	13,815	32,653	54,700	39,400
General post fund	3,153	3,611	3,873	4,519	4,375	5,032	5,547	6,186	4,200	7,100
National service life insurance	518,896	622,883	730,760	633,013	697,602	667,762	785,393	928,228	956,400	979,000
U.S. Government life insurance	66,253	77,727	85,695	71,297	71,105	66,973	70,841	76,683	64,700	62,500
Veterans special life insurance	-37,313	-41,050	-41,257	-44,994	-46,016	-65,015	-38,049	-44,317	-80,700	-51,588
Total trust funds (gross)	550,988	663,132	779,071	663,835	727,067	684,761	837,547	999,434	1,013,900	1,036,700
Deduct: Proprietary receipts from the public	-494,660	-475,337	-471,778	-458,042	-486,982	-512,960	-526,328	-572,587	-617,605	-615,028
Total trust funds (net)	56,329	187,795	307,293	205,793	240,085	171,800	311,219	426,846	396,295	421,672
Deduct: Intragovernmental transactions	-2,428	-2,183	-2,101	-2,140	-2,148	-2,472	-2,369	-3,014	-9,475	-14,124
Total Veterans Administration	11,968,152	13,336,873	16,575,008	18,414,835	18,019,353	18,962,152	19,887,172	21,134,537	22,281,814	23,599,218

1/ Trust fund - amount included in total proposed legislation, trust fund proprietary receipts, and total trust funds (net), excluded from total federal funds.

SELECTED WORKLOADS - (EXISTING LEGISLATION)

FY 1973 - FY 1982

	Actual								Estimate	
	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Benefit programs:										
Compensation and pensions:										
Average number of cases (000's)	4,912	4,889	4,853	4,859	4,894	4,906	4,842	4,700	4,599	4,506
Compensation - Veterans	2,192	2,207	2,214	2,225	2,241	2,254	2,261	2,268	2,276	2,281
- Survivors	375	372	370	368	366	363	361	359	358	358
Pensions - Veterans	1,072	1,043	1,018	1,006	1,017	1,021	997	941	907	878
- Survivors	1,272	1,266	1,251	1,260	1,270	1,268	1,222	1,132	1,058	989
Burial benefits:										
Number of burial allowances	308,793	296,884	334,832	312,487	313,223	320,839	313,651	324,033	340,000	345,000
Number of burial flags	258,368	264,441	270,011	291,564	279,645	286,152	296,117	272,743	315,000	320,000
Number of burial plot allowances	...	169,873	285,941	284,074	285,549	293,939	283,454	293,245	305,000	310,000
Headstone/Marker orders placed	...	222,360	243,032	229,334	230,520	218,655	210,707	203,966	234,000	235,000
Number of interments	...	31,367	37,776	38,632	37,013	36,744	37,500	39,248	41,120	44,000
Readjustment benefits:										
Number of trainees (000's)	2,223	2,462	2,804	2,951	2,079	1,661	1,411	1,233	975	773
Post-Korean conflict veterans	2,126	2,359	2,692	2,822	1,938	1,522	1,279	1,107	847	646
Sons and daughters	58	63	71	81	88	88	86	83	79	76
Wives and widows	11	13	16	19	19	19	17	13	12	11
Vocational rehabilitation	30	27	25	29	33	31	29	29	28	27
Post-Vietnam trainees	...	...	...	...	...	...	...	2	10	14
Educational loans granted	...	...	2,740	9,207	14,282	28,932	11,040	7,846	7,195	6,320
Loan guaranty revolving fund:										
Number of guaranteed or insured loans closed	365,132	311,260	290,195	327,133	383,163	380,472	364,578	297,447	315,000	315,000
Post-Korean conflict veterans and all other	299,001	269,114	250,578	273,461	339,711	346,365	334,736	272,411	281,300	283,300
Korean conflict veterans	18,323	12,374	12,228	14,109	14,807	13,947	12,075	10,176	10,100	9,100
World War II veterans	35,500	27,839	27,389	39,563	23,183	20,160	17,767	14,660	13,600	12,600
Direct loans sold with a guarantee	12,308	1,933	...	...	5,462	...	...	...	...	...
Direct loan revolving fund:										
Number of direct loans closed	2,930	2,608	2,665	2,782	2,686	1,830	1,419	1,160	175	30
Insurance programs (000's)										
Insurance policies in force	8,749	8,565	8,367	8,186	8,127	7,985	7,819	7,712	7,563	7,452
Veterans	5,280	5,196	5,103	5,007	4,886	4,792	4,681	4,568	4,463	4,352
Servicemen	3,469	3,369	3,264	3,179	3,241	3,193	3,138	3,144	3,100	3,100

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SELECTED WORKLOADS -(EXISTING LEGISLATION)
FY 1973 - FY 1982

	Actual								Estimate	
	1973	1974	1975	1976	1977	1978	1979	1980	1981 Revised	1982 Revised
Medical programs:										
Inpatient workloads:										
Hospital care (VA and Non VA):										
Admissions	932,481	991,473	1,069,757	1,136,285	1,170,563	1,193,246	1,195,098	1,215,401	1,206,085	1,203,933
A.D.P.C.	84,556	83,534	82,253	80,519	77,671	75,390	71,983	70,251	67,447	66,040
Patients treated	1,014,894	1,072,125	1,149,444	1,214,981	1,249,011	1,266,651	1,265,712	1,282,966	1,273,530	1,269,973
Nursing home care (VA and Non VA):										
Admissions	19,326	21,471	19,823	24,730	27,468	27,823	28,540	29,073	31,704	29,896
A.D.P.C.	14,328	15,308	17,101	17,883	19,279	20,422	21,089	22,048	23,632	23,456
Patients treated	32,789	36,251	40,113	42,192	45,307	47,741	49,372	51,339	55,336	53,352
Domiciliary care (VA and Non VA):										
Admissions A.D.P.C.	17,459	15,558	14,478	14,134	12,998	12,382	12,278	10,746	12,150	12,445
A.D.P.C.	16,286	15,584	15,030	14,652	14,214	13,957	13,744	12,786	12,700	13,004
Members treated	34,793	32,374	30,550	29,952	28,455	27,772	27,077	24,966	24,850	25,449
Outpatient workloads:										
Medical visits (000's)	10,858	12,266	14,630	16,410	16,956	17,416	17,262	17,972	18,311	16,728
Staff	9,165	10,458	12,596	14,223	14,675	15,070	15,053	15,752	16,012	14,429
Fee	1,693	1,809	2,034	2,187	2,281	2,347	2,209	2,220	2,299	2,299
Dental:										
Staff										
Examinations	114,199	79,674	85,802	93,230	107,987	127,278	128,195	157,601	165,600	173,000
Treatments	82,916	79,498	83,670	94,097	100,305	127,167	134,769	149,594	157,000	164,000
Fee cases authorized	...	156,467	130,891	121,956	107,265	89,440	67,749	71,550	78,000	46,991
								2,299		
CHAMPVA:										
Hospital average census	...	15	295	464	440	480	492	432	426	426
Outpatient fee visits	...	4,034	89,115	178,414	160,586	182,000	179,000	158,074	141,195	136,221

AVERAGE EMPLOYMENT
FY 1973 - FY 1982

ACCOUNT	ACTUAL 1973	1974	1975	1976	1977	1978	1979	1980	REVISED ESTIMATE 1981	1982
General operating expenses:										
General administration	1,962	1,942	1,981	2,032	2,101	1,271	2,392	2,375	2,433	2,471
Office of data managment and telecommunications	1,572	1,583	1,695	1,829	1,860	2,027	2,077	1,968	1,973	1,911
Department of veterans benefits	17,478	17,154	19,716	20,154	19,545	18,745	18,076	16,914	16,388	14,476
Department of memorial affairs	...	759	1,043	1,114	1,124	1,137	1,143	1,111	1,164	1,164
Total general operating expenses	21,012	21,438	24,435	25,129	24,630	24,180	23,688	22,368	21,958	20,022
Medical programs:										
Medical care	152,267	156,966	163,813	171,701	176,142	184,258	181,088	185,054	184,589	181,106
Medical and prosthetic research	3,807	3,873	4,232	4,262	4,333	4,367	4,416	4,360	4,369	4,293
Medical administration and miscellaneous operating expenses	772	713	748	770	788	777	781	831	839	866
Canteen service revolving fund	2,975	3,060	3,169	3,334	3,429	3,495	3,529	3,442	3,544	3,364
Consolidated working fund	49	46	53	64	61	53	...	...	...	...
Total medical programs	159,870	164,658	172,015	180,131	184,753	192,950	189,814	193,687	193,341	189,629
Supply fund	606	635	660	668	674	671	680	679	684	649
Construction programs:										
Construction of hospital and domiciliary facilities	23	...	...	...	...	...	...	...	...	...
Construction, minor projects	442	476	542	625	654	716	744	730	810	865
Total construction programs	465	476	542	625	654	716	744	730	810	865
Total Veterans Administration	181,953	187,207	197,652	206,553	210,711	218,517	214,926	217,464	216,793	211,165

Note: Includes proposed legislation as follows: Department of veterans benefits ..... -12 in FY 1981, and -45 in FY 1982.

VETERAN POPULATION
End of Fiscal Period
(in thousands)

Period of Service	Actual								ESTIMATED	
	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Spanish-American War	2	1	1	1	*	*	*	*	*	*
World War I	1,184	1,075	963	867	748	667	594	521	422	333
World War II	13,955	13,759	13,586	13,385	13,104	12,902	12,674	12,422	12,166	11,892
Korean Conflict - Total	5,936	5,958	5,973	5,954	5,919	5,897	5,866	5,826	5,759	5,735
No WW II Service	4,675	4,703	4,723	4,716	4,701	4,693	4,679	4,659	4,629	4,618
WW II Service 1/	1,261	1,255	1,250	1,238	1,218	1,204	1,187	1,167	1,130	1,117
Between Korean Conflict and Vietnam Era	3,106	3,099	3,092	3,085	3,075	3,068	3,059	3,050	3,046	3,018
Vietnam Era - Total	6,557	7,088	7,597	8,009	8,474	8,734	8,910	9,015	9,077	9,115
No Korean Conflict Service	6,151	6,628	7,094	7,492	7,944	8,195	8,363	8,463	8,534	8,572
Korean Conflict Service 2/	406	460	503	517	530	539	547	552	543	543
Post-Vietnam Era	...	...	...	61	272	459	703	1,003	1,357	1,751
TOTAL VETERANS	29,073	29,265	29,459	29,607	29,844	29,984	30,072	30,118	30,154	30,184

1/ Included in WW II Total. 2/ Included in Korean Conflict Total. *Less than 0.5 (thousand).

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Supplemental Proposals, FY 1981
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PART 22. SUMMARY OF SUPPLEMENTAL REQUIREMENTS

Fiscal Year 1981 Supplemental Appropriation Proposals

PROGRAM SUPPLEMENTALS - SECTION I

Compensation	$1,040,600,000
Readjustment Benefits	217,500,000
Veterans Insurance and Indemnities	4,740,000
Medical Care	79,967,000
Medical Administration and Miscellaneous Operating Expenses	~~1,508,000~~ ...
Vocational Rehabilitation Revolving Fund	1,250,000
Total - Section I	~~1,345,565,000~~ 1,344,057,000

PAY RAISE SUPPLEMENTALS - SECTION II

Medical Care	~~265,205,000~~ 225,978,000
Medical and Prosthetic Research	~~7,917,000~~ 6,095,000
Medical Administration and Miscellaneous Operating Expenses	1,591,000
General Operating Expenses	~~28,267,000~~ 14,267,000
Construction, Minor Projects	~~1,997,000~~ 903,000
Total - Section II	~~304,385,000~~ 248,834,000
Total Supplemental Proposals	~~$1,649,848,000~~ $1,592,891,000

VETERANS ADMINISTRATION

Fiscal Year 1981 Supplemental Appropriation Proposals

	Appropriated	Program Supplemental	Pay Raise Supplemental	Revised Total
Compensation and Pensions	11,602,000,000	...	...	11,602,000,000
Compensation	...	1,040,600,000	...	1,040,600,000
Pensions	...	...	...	...
Burial Benefits and Miscellaneous Activities	...	...	...	...
Readjustment Benefits	1,822,308,000	217,500,000	...	2,039,808,000
Veterans Insurance and Indemnities	1,360,000	4,740,000	...	6,100,000
Medical Care	6,020,013,000	79,967,000	225,978,000 ~~265,189,000~~	6,325,958,000 ~~6,365,189,000~~
Medical and Prosthetic Research	132,153,000	...	6,095,000 ~~7,917,000~~	138,248,000 ~~140,070,000~~
Medical Administration and Miscellaneous Operating Expenses	51,218,000	~~-1,508,000~~	1,591,000	52,809,000 ~~54,317,000~~
General Operating Expenses	627,592,000	...	14,267,000 ~~28,267,000~~	641,859,000 ~~655,859,000~~
Construction, Major Projects	423,774,000	...	...	423,774,000
Construction, Minor Projects	108,908,000	...	903,000 ~~1,303,000~~	109,811,000 ~~110,211,000~~
Grants for Construction of State Extended Care Facilities	15,000,000	...	...	15,000,000
Grants to the Republic of the Philippines	1,200,000	...	...	1,200,000
Grants for the Construction of State Veterans Cemeteries	5,000,000	...	...	5,000,000
Vocational Rehabilitation Revolving Fund	...	1,250,000	...	1,250,000
Total, Veterans Administration	20,810,526,000	1,344,057,000 ~~1,345,565,000~~	248,834,000 ~~304,189,000~~	22,403,417,000 ~~22,460,574,000~~

PART 23. COMPENSATION

Appropriation Language

For an additional amount for "Compensation," $1,040,600,000, to remain available until expended.

Supplemental Requirements
(dollars in thousands)

	Presently Available	Revised Estimate	Difference
Compensation			
Veterans	$6,176,914	$7,028,799	$+851,885
Survivors	1,351,425	1,537,840	+186,415
Clothing Allowance	15,800	18,100	+2,300
Total Cost/Oblig.	7,544,139	8,584,739	1,040,600
Unobligated balance available, start of year	-1,239	-1,239	...
Budget Authority (adjusted)	$7,542,900	$8,583,500	$1,040,600

Cost of PL 96-385

	Cost of PL 96-385	Avg. Cost Increases	Total
Compensation			
Veterans	$837,400	$28,200	$865,600
Survivors	183,200	25,600	208,800
Clothing Allowance	2,300	...	2,300
Total	$1,022,900	$53,800	$1,076,700

Summary of Supplemental Request

Supplemental funding in the amount of $1,040,600,000 is requested to cover the increased compensation payments authorized by PL 96-385, and higher than anticipated average costs.

Public Law 96-385 (Veteran's Disability Compensation and Housing Benefit Amendments of 1980), effective October 1, 1980, increased disability compensation for severely disabled veterans by 14.3%, for less severely disabled veterans by 13%, and DIC rates for widows and children by 14.3%. It also increased clothing allowance provided eligible veterans from $240 to $274. The total cost for these increases is $1,022.9 million.

Higher average costs have resulted in a $53.8 million increase in requirements in FY 1981. This includes $28.2 million for veteran's compensation, due to increases in average degree of disability, and a greater number of veterans with dependents. The remaining $25.6 million is due to higher than average benefit payments for new accessions to the DIC program.

The additional $1,076.7 million in requirements above the appropriation will be funded by a $1,040.6 million supplemental, transferring $34.9 million from the Pensions program, and a $1.2 million unobligated balance brought forward from FY 1980.

Caseload

	Presently Available	Revised Estimate	Difference
Compensation			
Veterans	2,284,708	2,275,707	-9,001
Survivors	359,613	357,908	-1,705
Clothing Allowance	(66,300)	(66,300)	...
Total	2,644,321	2,633,615	-10,706

Explanation of Changes

The decline in caseload is the result of fewer than anticipated accessions to the Compensation rolls from Vietnam Era and Peacetime service veterans. With this reduced caseload, our supplemental requirements is $34.8 million less than would otherwise have been requested.

NOTE: In FY 1982, we are proposing that the Compensation & Pension appropriation be split into three appropriations, i.e., Compensation, Pensions and Burial Benefits and Miscellaneous Assistance. These supplemental funds are being requested under the Compensation appropriation to be consistent with the 1982 Budget.

PART 24. READJUSTMENT BENEFITS

For an additional amount for "Readjustment Benefits", $217,500,000, to remain available until expended.

Appropriation Highlights
(dollars in thousands)

	FY 1981		
	Presently Available	Revised Estimate	Proposed Supplemental
Program by Activity:			
Education and Training	$1,765,213	$1,965,735	$200,522
Special assistance to disabled veterans	113,545	130,523	16,978
Total costs	1,878,758	2,096,258	217,500
Change in selected resources	-40,996	-40,996	...
Total obligations	1,837,762	2,055,262	217,500
Financing:			
Unobligated balance available, start of year	-15,454	-15,454	...
Appropriation	$1,822,308	$2,039,808	$217,500
Costs by Object:			
Grants, subsidies, and contributions	$1,765,213	$1,965,735	$200,522
Insurance claims & indemnities	113,545	130,523	16,978
Total costs	$1,878,758	$2,096,258	$217,500

JUSTIFICATION

A fiscal year 1981 supplemental appropriation of $217,500,000 is requested to fund the greater than anticipated training load during the year, and to provide for increases in educational allowances as well as program enhancements authorized by recently enacted legislation.

The original 1981 budget request anticipated a training load of 953,200 trainees. It is now estimated that 975,000 veterans and dependents will train in one of the four educational programs. Included in the above total are 1,400 additional vocational rehabilitation trainees who will train as a result of enhancements to that program made by Public Law 96-466.

Public Law 96-466, enacted October 17, 1980, made other improvements to the vocational rehabilitation program including a 17% increase in educational assistance allowances. In addition the law included a two-step 10% increase in monthly assistance allowances for GI Bill and dependent trainees. This law also permits Post-Vietnam Era Education Program (Chapter 32) contributors to make a lump sum contribution into their account, subject to the maximum amount of $2,700. There were also cost-saving provisions in PL 96-466 that resulted in a slight offset of the above costs. These savings provisions pertain to the payment of flight and correspondence trainees and also to incarcerated veterans who are training under the GI Bill.

Public Law 96-385, enacted October 7, 1980, extends eligibility for specially adapted housing grants to veterans with service-connected blindness or who have lost or lost the use of both upper extremities. These veterans may receive up to $5,000 for a specially adapted housing grant.

The following chart details the make-up of the $217,500,000 request.

	(dollars in thousands)
Change in caseload	$64,450
PL 96-466	151,250
PL 96-385	1,800
Total	$217,500

PART 25. VETERANS INSURANCE AND INDEMNITIES

For an additional amount for transfer to the "Service Disabled Insurance Fund", $4,740,000 to remain available until expended.

Introduction

The "Veterans Insurance and Indemnities" (VI&I) account serves, in part, to supplement the funding of certain other veterans' insurance funds. Among those supplemented is the "Service-Disabled Insurance Fund" (SDVI). This fund experienced an unexpected drop in unobligated balances during FY 1980 due to a large increase in policy loans, aggravated by smaller increases in death claims, cash surrenders, and premium waivers. The increase in loans can be attributable to the disparity between the 5% interest rate charged on insurance loans vis-a-vis interest rates charged by other lending institutions.

This higher level of loan activity is expected to continue through FY 1981. The following tables illustrate the effects of these changes on both the VI&I and the SDVI funds.

Supplemental Requirements
(dollars in thousands)

Veterans Insurance and Indemnities

	Presently Available	Revised Estimate	Difference
Operating costs:			
Transfer to SDVI	$2,030	$6,770	$4,740
All other costs and transfers	3,595	3,595	...
Offsetting collections	-664	-664	...
Unobligated balance start of year	-3,601	-3,601	...
Budget authority	$1,360	$6,100	$4,740

Summary of Requirements
(dollars in thousands)

Service Disabled Veterans Insurance

	Presently Available	Revised Estimate	Difference
Operating costs:			
Policy loans and liens	$5,810	$7,550	$1,740
All other	22,890	22,890	...
Offsetting collections:			
Repayments and earnings	-26,353	-26,353	...
Transfer from VI&I	-2,030	-6,770	-4,740
Unobligated balance start of year	-317	-317	...
Unobligated balance end of year	...	$3,000	$+3,000

Summary of Supplements Request

In addition to funding the estimated increased loan activity the supplemental request of $4,740,000 will enable the SDVI fund to adequately build up sufficient capital reserves for unforseen contingencies.

PART 26. MEDICAL CARE

(Supplemental now requested, existing legislation)

For an additional amount for "Medical care", $79,967,000.

Appropriation Highlights
($'s in thousands)

	1981		
	Presently Available	Revised Estimate	Proposed Supplemental
Average Employment:			
VA hospital care	144,316	144,316	...
Outpatient care	29,164	29,164	...
All other	13,012	13,012	...
Total	186,492	186,492	...
Program by Activities:			
VA hospital care	$4,028,852	$4,078,266	$+49,414
Outpatient care	1,223,561	1,239,114	+15,553
Miscellaneous benefits and services	117,539	132,539	+15,000
All other	960,266	960,266	...
Total Costs-Obligations	6,330,218	6,410,185	+79,967
Financing:			
Reimbursements	- 45,000	- 45,000	...
Budget authority	6,285,218	6,365,185	+79,967
Supplemental Included Above for:			
Civilian pay raise	(234,043)	(234,043)	(...)
Wage board pay raise	(31,162)	(31,162)	(...)
Total	(265,205)	(265,205)	(...)
Total Supplemental	265,205	345,172	+79,967
Costs/Obligations by Object:			
Payroll	4,197,901	4,267,653	+69,752
Employee travel	5,701	5,726	+ 25
Beneficiary travel	69,992	84,992	+15,000
Supplies and Materials	923,620	918,810	- 4,810
All other	1,133,004	1,133,004	...
Total	6,330,218	6,410,185	+79,967

JUSTIFICATION

A fiscal year 1981 Medical Care program supplemental appropriation of $79,967,000 is requested to provide funding support to implement the Veterans Administration Health-Care Amendments of 1980, Public Law 96-330, approved August 26, 1980; and to provide the additional beneficiary travel resources required under Section 111 of Title 38.

Public Law 96-330:

- Amends the Veterans' Administration Physician and Dentist Pay Comparability Act of 1975 removing the expiration date from the VA's special pay authority and revising the special pay formula. $55,900,000 is requested to meet these requirements in 1981;

- Requires consideration and provision of special pay for retirement credits. $4,292,000 will be required for this purpose.

- Provides for additional premium pay to obtain or retain the services of nurses at any specific involved Veterans Administration medical center in order to make their pay competitive with the same category of nurses at non-Federal health care facilities in the same geographic area as the VA facility. $8,785,000 will be required for this purpose.

- Provides for an adjustment of basic pay rates to obtain or retain health care personnel in geographical areas where the VA has difficulty competing with the private sector $800,000 is required for this purpose.

- Provides for cost savings by implementation of revised standards of eligibility for medical care by strengthening the criteria for determining the inability to defray the costs of such care. Cost savings associated with this provision are estimated to be $9,810,000. A workload reduction of 965 hospital census and 20,020 patients treated is associated with these savings.

- Allows the Supply Revolving Fund to charge for the replacement costs of supplies and equipment inventory, which will require an increased funding in this appropriation of $5,000,000.

Beneficiary Travel:

- Adequate funding for beneficiary travel payments will require an additional $15,000,000. Over the past several years the actual expenditures have exceeded budgetary estimates because of the continuing price increases.

PART 27. MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

(Supplemental now requested, existing legislation)

For an additional amount for "Medical Administration and Miscellaneous Operating Expenses", $1,508,000.

Appropriation Highlights
($'s in thousands)

	1981 Presently Available	1981 Revised Estimate	Proposed Supplemental
Average Employment	853	853	...
Program by Activities:			
Medical Hospital and Domiciliary Administration	$40,509	$42,017	$+1,508
Postgraduate and Inservice Training	10,750	10,750	...
Exchange of Medical Information.	1,550	1,550	...
Total Costs-Obligations	52,809	54,317	+1,508
Budget Authority	52,809	54,317	+1,508
Supplemental Included Above For:			
Civilian pay raise	(1,591)	(1,591)	...
Total Supplemental	1,591	3,099	+1,508
Costs/Obligations by Object:			
Payroll	29,841	31,349	+1,508
All other	22,968	22,968	...
Total	52,809	54,317	+1,508

JUSTIFICATION

A fiscal year 1981 program supplemental appropriation of $1,508,000 is requested to provide funding support to implement the Veterans' Administration Health Care Amendment of 1980. Public Law 96-330, approved August 26, 1980.

Public Law 96-330 amended the Veterans' Administration Physician and Dentists Pay Comparability Act of 1975 removing the expiration date from the VA's special pay authority and revising the special pay formula which will require funding of $1,508,000 in fiscal year 1981. This amount consists of special pay of $1,400,000 and retirement credit funding fo $108,000.

ENTIRE SUPPLEMENTAL WITHDRAWN

PART 28. VOCATIONAL REHABILITATION REVOLVING FUND

To increase the "Vocational Rehabilitation Revolving Fund" established by the Act of March 24, 1943, and amended by PL 96-466, $1,250,000, to remain available until expanded.

Explanation of Supplemental Request

A supplemental appropriation of $1,250,000 is requested to fund anticipated increases in both number and amount of loans resulting from enactment of PL 96-466. This legislation increased the maximum loan amount from $200 to " ... twice the amount of the full-time institutional monthly subsistence allowance for a veteran with no dependents ...", which currently equals $564 dollars. The following table illustrates the changes that are expected in the operation of the fund resulting from the increased loan ceiling.

Fund Highlights
(dollars in thousands)

	Presently Available	Revised Estimate	Difference
Loans to disabled veterans	5,675	6,360	+685
Average loan amount	$170	$417	$+247
Obligations/cost	$965	$2,653	$+1,688
Loan repayments	$-972	$-1,677	$-705
Budget authority	...	$1,250	$+1,250
Unobligated fund balance	$108	$375	$+267
Amount of loans outstanding	$398	$1,386	$+988
Number of loans outstanding	3,460	4,490	+1,030
Average amount outstanding	$115	$309	$+194

Summary of Supplemental Request

The combined effects of PL 96-466 of increasing the borrowable amount and the number of loans will increase by nearly three and one half times the loan amounts outstanding. The supplemental budget authority of $1,250,000 is needed both to fund this increased investment and raise the fund balance to an appropriate operating level.

PART 29. PAY RAISE REQUIREMENTS

SECTION II - INCREASED PAY COSTS FOR THE FISCAL YEAR 1981

APPROPRIATION LANGUAGE

For additional amounts for appropriation for the fiscal year 1981 for increased pay costs authorized or pursuant to law, as follows:

VETERANS ADMINISTRATION

"Medical care", ~~$265,305,000.~~ $225,978,000.

"Medical and prosthetic research", ~~$7,917,000.~~ $6,095,000.

"Medical administration and miscellaneous operating expenses", $1,591,000.

"General operating expenses", ~~$28,267,000.~~ $14,267,000

"Construction, minor projects", ~~$1,307,000,~~ $ 903,000 (and an increase of $1,862,000 in the limitation on the Office of Construction).

The supplemental appropriations requested in Section II are needed to finance the increased 1981 costs related to civilian pay raises for Federal personnel, effective October 5, 1980 under Executive Order 12248, issued under authority of 5 U.S.C., Chapter 53 and pursuant to Public Law 94-82 and, under the authority of P, U.S.C. 5341, actual wage board pay raises effective in 1980 and additional raises estimated to be granted through September 30, 1981.

FY 1981 ESTIMATED COSTS

	Civilian Pay Raise	Wage Board	Total Pay Supplemental Proposal
Medical Care	~~234,047,000~~ 194,816,000	31,162,000	~~265,209,000~~ 225,978,000
Medical and Prosthetic Research	~~7,917,000~~ 6,095,000	...	~~7,917,000~~ 6,095,000
Medical Administration and Miscellaneous Operating Expenses	1,591,000	...	1,591,000
General Operating Expenses	~~27,017,000~~ 13,017,000	1,250,000	~~28,267,000~~ 14,267,000
Construction, Minor Projects	~~1,307,000~~ 903,000	...	~~1,307,000~~ 903,000
Total Section II	~~304,079,000~~ 216,422,000	32,412,000	~~304,299,000~~ 248,834,000

The following pay costs have been absorbed within available amounts:

Medical Care	~~$15,000,000~~ $54,227,000
Medical and Prosthetic Research	~~400,000~~ 2,227,000
Medical Administration and Miscellaneous Operating Expenses	682,000
General Operating Expenses	~~11,507,000~~ 25,507,000
Construction, Minor Projects	~~557,000~~ 959,000
Supply Revolving Fund	749,000
Canteen Service Revolving Fund	~~594,000~~ 956,400
Total Absorbed	~~$29,091,000~~ $85,302,400

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Volume V of V

Medical Construction and Leasing Authorizations Congressional Submission FY 1982

INTRODUCTORY STATEMENT

This Volume is transmitted in accordance with the provisions of Title 38, United States Code, sections 5004 and 5007. Section 5004 requires the submission of prospectuses for all medical construction projects involving expenditures of more than $2 million, and leases of space for use as medical facilities having an average annual rental of more than $500,000. These prospectuses are found under sections 32 and 33. They are presented in a new and hopefully more informative format this year, and are identical to the prospectuses for these projects included in the material furnished to the appropriations committees in justification of VA's FY 1982 appropriation request.

Section 5007 requires an annual report on previously authorized projects and leases. The first of these reports will be found under section 34. Projects will be included in the report until financially complete, or authorization is rescinded.

In section 31 of this volume is found a summary of current year authorization action. This section may be useful in tracking the approval process of individual projects because the appropriation process is the only formal method of reconciling incompatible authorization resolutions by the House and Senate Veterans Affairs Committees.

For major construction projects, in general, the project cost summary in each prospectus shows costs as of the date of completion of preliminary drawings (base date) plus an allowance for projected inflation. The factors used to compute the projected inflation are: 13% per year from the base date to the end of FY 1980, 12% per year for FY 1981, and 11% thereafter.

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4.	Medical Lease Prospectuses	33-1 - 33-6
5.	Authorization Status Report	34-1

AUTHORIZATION REQUEST AND INDEX

In Thousands of Dollars

Location	Project Description	Total Est. Cost	Authorized thru FY 81	FY 82 Author. Requested	Page No.
Construction Projects					
Albuquerque, NM	New Cl. Srv. & Bed Bldg.	115,000	...	11,500	32-1
Ann Arbor, MI	120-Bed NHC	9,500	...	9,500	32-4
Birmingham, AL	Cl. Add. & Ward Mod.	55,300	...	5,600	32-3
Dallas, TX	120-Bed NHC	8,500	7,850	650	32-5
Danville, IL	Relocate/Expand PAD	6,400	5,600	800	32-20
Denver, CO	60-Bed NHC	6,500	...	6,500	32-6
Fresno, CA	60-Bed NHC	5,600	...	5,600	32-7
Lake City, FL	120-Bed NHC	9,100	...	9,100	32-8
Lincoln, NB	Outpatient Add.	9,200	...	9,200	32-13
Los Angeles(WADS), CA	120-Bed NHC	6,800	...	6,800	32-9
Louisville, KY	Med. Gases, NCS, Pat. Pri.	3,700	...	3,700	32-19
Marion, IL	60-Bed NHC	5,800	...	5,800	32-10
Marion, IL	Outpatient Add.	11,400	...	11,400	32-14
Memphis, TN	120-Bed SCIU and R/E	34,000	...	34,000	32-21
Miami, FL	O/P Add/Renov./SCI Reloc.	49,000	26,650	22,350	32-15
Muskogee, OK	Outpatient Add.	10,100	...	10,100	32-16
Palo Alto(MPD), CA	Corr. of Seis. Def.	30,200	3,015	27,185	32-25
San Antonio, TX	Spklr/Horiz Exits/F&S Def.	5,700	...	5,700	32-24
Spokane, WA	60-Bed NHC	6,000	...	6,000	32-11
St. Louis, MO	Cl Add/Wd Reno/New Amb. Care	45,500	...	43,421	32-22
Tampa, FL	120-Bed NHC	10,600	...	10,600	32-12
Tuscaloosa, AL	Outpatient Add.	16,900	...	16,900	32-17
Wichita, KS	Renov. for O/P	10,400	...	10,400	32-18

AUTHORIZATION REQUEST AND INDEX

Location	Project Description	In Thousands of Dollars: Annual Estimated Rental	Page No.
Leases			
Boston, MA	Expand and Relocate Clinic	1,200	33-1
Brooklyn, NY	Expand and Relocate Clinic	750	33-2
Newark, NJ	Expand and Relocate Clinic	500	33-3
New York, NY	Expand and Relocate Clinic	1,500	33-4
Los Angeles, CA	Expand and Relocate Clinic	1,000	33-5
San Antonio, TX	Expand and Relocate Clinic	840	33-6

CURRENT YEAR AUTHORIZATIONS

Location	Description	Total Estimated Cost	1981 Available	Senate Authorization	House Authorization
Altoona, PA	Ambulatory Care Addn.	10,400,000	10,400,000	10,400,000	10,400,000
Amarillo, TX	Central A/C, Patient Privacy, & Elim. F/S Def.	6,139,000	6,139,000	6,139,000	6,139,000
Bath, NY	Ambulatory Care Addition	4,400,000	4,400,000	4,400,000	4,400,000
Biloxi, MS	Clinical Addition	20,750,000	20,750,000	20,750,000	20,750,000
Boston, MA	Secondary Gen. & Updating of Interior Wiring	2,550,000	2,550,000	2,550,000	2,550,000
Bronx, NY	120-Bed NHC Unit	11,700,000	11,700,000	11,700,000	11,700,000
Castle Point,NY	Relocation & Replacement of Boiler Plant	2,800,000	2,800,000	2,800,000	2,800,000
Chillicothe, OH	Modernization	13,700,000	13,700,000	13,700,000	13,700,000
Coatesville, PA	120-Bed NHC Unit	8,500,000	8,500,000	8,500,000	8,500,000
Dallas, TX	120-Bed NHC Unit	7,850,000	7,850,000	7,850,000	7,850,000
Danville, IL	Relocation & Exp. of Processing & Distr.	5,600,000	...	5,600,000	5,600,000
Fayetteville, AR	Clinical Addition	4,500,000	4,500,000	4,500,000	4,500,000
Hampton, VA	Relocation & Expan. of Spinal Cord Injury Unit	5,150,000	5,150,000	5,150,000	5,150,000
Hines, IL	Supply Depot Expansion	8,800,000	...	...	8,800,000
Iowa City, IA	Elim. of Fire & Safety Deficiencies	2,700,000	2,700,000	2,700,000	2,700,000
Kerrville, TX	120-Bed NHC Unit	7,750,000	7,750,000	7,750,000	7,750,000
Long Beach, CA	Addn. & Renovation for Expansion- SPD	2,550,000	2,550,000	2,550,000	2,550,000
Martinez, CA	Education Building	2,300,000	2,300,000	2,300,000	2,300,000
Memphis, TN	Ambulatory Care Addition	9,250,000	9,250,000	9,250,000	9,250,000
Miami, FL	Outpatient Addition, Renovation and Spinal Cord Injury Relocation	26,650,000	...	26,650,000	26,650,000
Minneapolis, MN	Replacement Hospital	255,000,000	15,000,000	15,000,000	15,000,000

CURRENT YEAR AUTHORIZATIONS (Cont'd)

Location	Description	Total Estimated Cost	1981 Available	Senate Authorization	House Authorization
New Orleans, LA	Exp. of Clinical, Outpatient, Research & Education Space	67,650,000	67,650,000	67,650,000	67,650,000
Palo Alto, CA	Elimination of Fire & Safety Deficiencies	4,000,000	4,000,000	4,000,000	4,000,000
Palo Alto, CA	Correction of Seismic Deficiencies	30,150,000	3,015,000	2,000,000	3,015,000
Pittsburgh, PA	Elimination of Fire & Safety Deficiencies	8,400,000	8,400,000	8,400,000	8,400,000
Reno, NV	60-Bed NHC Unit	5,100,000	5,100,000	5,100,000	5,100,000
Reno, NV	New Laundry	2,420,000	2,420,000	2,420,000	2,420,000
Temple, TX	Clinical Expansion	27,600,000	27,600,000	27,600,000	27,600,000
Togus, ME	Renovate Bed Building	5,100,000	5,100,000	5,100,000	5,100,000
Tucson, AZ	Clinical Expansion	20,850,000	20,850,000	16,000,000	20,850,000
Wichita, KS	60-Bed NHC Unit and Underground Drainage Culvert	6,800,000	...	6,800,000	6,800,000

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VAMC ALBUQUERQUE, NEW MEXICO

New Clinical Services and Bed Building

I. Justification for Proposed Project

VAMC Albuquerque is identified as one of the 10 Medical Centers in greatest need of replacement or major modernization. Most services or functions included in this project are seriously deficient in space, functional adjacencies, and various accreditation requirements. The existing structures which house these services and functions do not conform to seismic, life safety and other code requirements. Other technical deficiencies such as low floor-to-floor heights, inadequate building configuration and the absence of air conditioning render the existing structures unsuitable for continued use.

II. Description of Proposed Project

The project proposes new construction to house 380 medical, surgical and neurological beds and associated nursing unit, clinical, and non-clinical support space. Also provided is a new central heating and air conditioning plant and loop distribution system. Services and functions include: Ambulatory Care, Nursing Units, Rehabilitation Medicine, Surgery, Pharmacy, Radiology, Dietetics, Supply Processing and Distribution, and other clinical and administrative support areas.

The new clinical services and bed building will correct most of the critical deficiencies of the Medical Center. All medical, surgical, and neurology beds, clinical and support functions will conform fully with VA space requirements. New construction will house approximately 70% of the total space requirements of the Medical Center. Remaining deficiencies will be corrected by means of carefully phased renovation of structures which have been found suitable for continued use.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on December 31, 1979. The State Clearinghouse responded on January 29, 1980, and offered no comment. No response has been received from the Areawide Clearinghouse. A new A-95 notification letter was sent on August 14, 1980, to the State and Areawide Clearinghouses advising a change in scope. Since the first notification in December, 1979, the Director, VAMC Albuquerque, who is a member of the local HSA and SHCC, has been in close contact with these agencies regarding the development of this project. The Areawide Clearinghouse responded on September 18, 1980, indicating no objections.

IV. Annual Operating, Staff and Equipment Cost

Equipment Cost:	$17,800,000	
One Time Non-recurring Cost:	$ 1,300,000	
Total Recurring Cost:	$ 9,508,000	
Additional Manpower: 329 FTE		$7,008,000
Other Recurring Cost:		$2,500,000

VAMC ALBUQUERQUE, NEW MEXICO

New Clinical Service and Bed Building (Cont'd)

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	529,298	$135.28	$ 71,602
Alterations	...	...	...
Other Costs			
A. Central Energy Plant and Generator Building			3,257
B. Sitework, Utilities and Demolition			9,412
C. Projected Inflation			30,729
			$115,000

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$115,000	...	$11,500	$103,500

VAMC BIRMINGHAM, ALABAMA

Clinical Addition & Ward Modernization

I. Justification for Proposed Project

The VA Medical Center is a large multi-story concrete and masonry building with ten operational floor levels. The original building was placed in operation in 1953. The medical center is significantly deficient in space and functional adjacencies and has electrical and seismic deficiencies.

II. Description of Proposed Project

Key areas to be constructed or renovated will be the Surgical Suite, Outpatient Care, Intensive Care Units, Laboratory Service, Pharmacy and Satellite Radiology. Since many relocations will occur to achieve the preferred functional adjacencies, several services will be renovated or expanded resulting in a more desirable and fully functional medical facility. Major renovations for seismic strengthening and electrical upgrading will be taking place on all floors; therefore, the eleven wards are included in this project for total renovation, including medical gases.

III. A-95 Summary

The VA notified State and Areawide Clearinghouses on March 27, 1978. An interim acknowledgement was received from the Areawide Clearinghouses on April 3, 1978, followed by a favorable reply on July 31, 1978. The State Clearinghouse did not acknowledge.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$9,500,000	
One Time Non-recurring Cost:	$ 800,000	
Total Recurring Cost:	$3,136,500	
Additional Manpower: 105 FTE		$2,236,500
Other Recurring Cost:		$ 900,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	157,245	$126.43	$19,880
Alterations	362,390	47.60	17,250
Other Costs			
A. Site Clearance, Site work and Utilities			2,340
B. Seismic Upgrade			2,647
C. Impact Cost			550
D Art-in-Architecture			50
E. Projected Inflation			12,583
			$55,300

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$55,300	...	$5,600	$49,700

VAMC ANN ARBOR, MICHIGAN

120-Bed Nursing Home Care Unit

I. Justification for Proposed Project

There are no nursing home care beds at VAMC Ann Arbor. Medical District No. 14 has 277 nursing home care beds and 30 beds are funded for construction. These 307 beds represent 63% of the District's estimated need for nursing home care beds through FY 1987. The additional 120 beds at VAMC Ann Arbor will increase this percentage to 88%.

II. Description of Proposed Project

Project provides for 120 nursing home care beds in new construction and associated support areas such as dining, recreation, and rehabilitation medicine.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on December 3, 1979. The Areawide Clearinghouse acknowledged the notification on January 10, 1980 and indicated that the project does not conflict with areawide plans. No response was received from the State Clearinghouse.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$ 436,000	
One Time Non-recurring Cost:	$ 60,000	
Total Recurring Cost:	$3,112,100	
Additional Manpower: 117 FTE		$2,492,100
Other Recurring Cost:		$ 620,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	52,976	$115.39	$ 6,113
Alterations			
Other Costs			
A. Utilities beyond 5' Line and Parking			429
B. Elevated connecting corridor			40
C. SBA 8(a) Contract allowance			960
D. Projected Inflation			1,958
			$9,500

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$9,500	...	$9,500	...

VAMC DALLAS, TEXAS

120-Bed Nursing Home Care Unit

I. Justification for Proposed Project

Presently, there are no nursing home care beds at VAMC Dallas. Medical District No. 20 has 297 nursing home care beds and 120 beds are funded for construction at Temple. These 417 beds represent 54% of the district's estimated need for nursing home care beds through FY 1987. The additional 120 beds at Dallas will increase this percentage to 70%.

II. Description of Proposed Project

Project provides for 120 nursing home care beds in new construction and associated support areas such as dining, recreation, and rehabilitation medicine. The additional funds requested are required to offset cost of inflation.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouse on March 5, 1979. Acknowledgement of notification has been received from both the State and Areawide Clearinghouse.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$ 436,000	
One Time Non-recurring Cost:	$ 60,000	
Total Recurring Cost:	$3,112,100	
Additional Manpower: 117 FTE		$2,492,100
Other Recurring Cost:		$ 620,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	54,432	$95.15	$ 5,179
Alterations	...	...	...
Other Costs			
A. Utilities beyond 5' Line and Sitework			926
B. Connecting Corridors			241
C. SBA 8(a) Contract Allowance			1,071
D. Projected Inflation			1,083
			$ 8,500

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$8,500	$7,850	$ 650	...

VAMC DENVER, COLORADO

60-Bed Nursing Home Care Unit

I. Justification for Proposed Project

There are no nursing home care beds at VAMC Denver. Medical District No. 24 has 198 nursing home care beds. These 198 beds represent 70% of the District's estimated need for nursing home care beds through FY 1987. The additional 60 beds at VAMC Denver will increase this percentage to 91%.

II. Description of Proposed Project

Project provides for 60 nursing home care beds in new construction as well as support areas such as dining, recreation, and rehabilitation medicine. The nursing home building will be directly connected to the main hospital building by a connecting corridor to provide support and will be built with vertical expansion capability.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on December 19, 1979. The Central Northeast Colorado HSA on February 8, 1980, stated there are excess long term beds in the Denver area and the VA should utilize and financially support these community beds. The HSA also stated they recognized the present reimbursement policies of the VA are a barrier to utilizing community services. No response has been received from the State Clearinghouse. The VA nursing home care beds at VAMC Denver are considered necessary to care for the number and degree of physically disabled veterans not acceptable to community nursing homes.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$ 218,000	
One Time Non-recurring Cost:	$ 30,000	
Total Recurring Cost:	$1,566,700	
Additional Manpower: 59 FTE		$1,256,700
Other Recurring Cost:		$ 310,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	29,320	$126.20	$ 3,700
Alterations	274	25.55	7
Other Costs			
A. Site Work & Connecting Corridor			652
B. SBA 8(a) Contract Allowance			623
C. Art in Architecture			32
D. Projected Inflation			1,486
			$6,500

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$6,500	...	$6,500	...

VAMC FRESNO, CALIFORNIA

60-Bed Nursing Home Care Unit

I. Justification for Proposed Project

There are no nursing home care beds at VAMC Fresno. Medical District No. 27 has 172 nursing home care beds and 158 beds are funded for construction. These 330 beds represent 49% of the District's estimated need for nursing home care beds through FY 1987. The additional 60 beds at VAMC Fresno will increase this percentage to 57%.

II. Description of Proposed Project

This project provides for 60 Nursing Home Care beds in new construction and associated support areas such as dining, recreation, and rehabilitation medicine.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on November 2, 1979. The Areawide Clearinghouse responded on November 30, 1979, and offered no comment. No response has been received from the State Clearinghouse.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$ 218,000	
One Time Non-recurring Cost:	$ 30,000	
Total Recurring Cost:	$1,566,700	
Additional Manpower: 59 FTE		$1,256,700
Other Recurring Cost:		$ 310,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	29,355	$109.70	$ 3,220
Alterations	...	...	...
Other Costs			
A. Site Work & Parking Expansion			520
B. SBA 8(a) Allowance			536
C. Art-in-Architecture			28
D. Projected Inflation			1,296
			$ 5,600

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$5,600	...	$5,600	...

VAMC LAKE CITY, FLORIDA

120-Bed Nursing Home Care Unit

I. Justification for Proposed Project

There are 40 nursing home care beds at VAMC Lake City. Medical District No. 12 has 280 nursing home care beds and 240 beds are funded for construction. These 520 beds represent 59% of the District's estimated need for nursing home care beds through FY 1987. The additional 80 beds at VAMC Lake City and 120 beds at VAMC Tampa (also proposed for FY 1982) will increase this percentage to 81%.

II. Description of Proposed Project

This project will provide an additional 80 nursing home care beds at VAMC Lake City. Forty nursing home care beds exist in Building No. 62. These will be relocated to the new 120 bed nursing home care unit, resulting in a net increase of 80 beds.

III. A-95 Summary

The VA notified State and Areawide Clearinghouses on December 28, 1979. A favorable reply was received from the State Clearinghouse on February 19, 1980. The Areawide Clearinghouse acknowledged on January 25, 1980, with no further comments received.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$ 436,000	
One Time Non-recurring Cost:	$ 45,000	
Total Recurring Cost:	$2,071,400	
Additional Manpower: 78 FTE		$1,661,400
Other Recurring Cost:		$ 410,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	57,000	$107.78	$ 6,144
Alterations	3,000	82.33	247
Other Costs			
A. Utilities & Parking			256
B. Connecting Corridors			77
C. Emergency Generator and Chiller Building			384
D. Excess Foundation and Structure			123
E. Projected Inflation			1,869
			$ 9,100

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$9,100	...	$9,100	...

VAMC LOS ANGELES (WADSWORTH), CALIFORNIA

120-Bed Nursing Home Care Unit
(Conversion, B-215)

I. Justification for Proposed Project

There are no nursing home care beds at VAMC Wadsworth. Medical District No. 26 has 500 nursing home care beds. These 500 beds represent 51% of the district's estimated need for nursing home care beds through FY 1987. The additional 120 beds at VAMC Wadsworth will increase this percentage to 64%.

II. Description of Proposed Project

The project proposes converting an existing three story building (No. 215) into a 120-bed nursing home care unit with associated support areas such as patient dining, recreation and rehabilitation medicine.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on April 30, 1979. The State Clearinghouse acknowledged the notification on May 15, 1979. The Areawide Clearinghouse acknowledged the notification on June 7, 1979. No further comments have been received.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$ 436,000	
One Time Non-recurring Cost:	$ 60,000	
Total Recurring Cost:	$3,112,100	
Additional Manpower: 117 FTE		$2,492,100
Other Recurring Cost:		$ 620,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	...	...	...
Alterations	57,762	$82.75	$4,780
Other Costs			
A. Site Clearance & Demolition			436
B. Art-in-Architecture			35
C. Projected Inflation			1,549
			$6,800

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$6,800	...	$6,800	...

VAMC MARION, ILLINOIS

60-Bed Nursing Home Care Unit

I. Justification for Proposed Project

There are no nursing home care beds at VAMC Marion, Illinois. Medical District No. 21 has 196 nursing home care beds. These 196 beds represent 62% of the District's estimated need for nursing home care beds through FY 1987. The additional 60 beds at VAMC Marion, Illinois, will increase this percentage to 81%.

II. Description of Proposed Project

Project provides for 60 nursing home care beds in new construction and associated support areas such as dining, recreation, and rehabilitation medicine.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on December 26, 1979. The State Clearinghouse responded on March 21, 1980, with a favorable comment. The Areawide Clearinghouse responded favorably on February 28, 1980.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$ 218,000	
One Time Non-recurring cost:	$ 30,000	
Total Recurring Cost:	$1,566,700	
Additional Manpower: 59 FTE		$1,256,700
Other Recurring Cost:		$ 310,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	32,988	$119.44	$ 3,940
Alterations	...	...	...
Other Costs			
A. Connecting Corridor			78
B. Chiller Pad and Emergency Generator			124
C. Seismic, Historic Site Design Sensitivity and Special Foundation			196
D. Projected Inflation			1,462
			$ 5,800

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$5,800	...	$5,800	...

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VAMC SPOKANE, WASHINGTON

60-Bed Nursing Home Care Unit

I. Justification for Proposed Project

There are no nursing home care beds at VAMC Spokane. Medical District No. 28 has 151 nursing home care beds and 180 beds are funded for construction. These 331 beds represent 66% of the District's estimated need for nursing home care beds through FY 1987. The additional 60 beds at VAMC Spokane will increase this percentage to 78%.

II. Description of Proposed Project

This project provides for 60 nursing home care beds in new construction and associated support areas such as dining, recreation, and rehabilitation medicine.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on December 19, 1979. The Areawide Clearinghouse responded on January 22, 1980, and indicated that the project does not conflict with areawide plans. The State Clearinghouse responded on February 15, 1980, indicating no opposition to the project.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$ 218,000	
One Time Non-recurring Cost:	$ 30,000	
Total Recurring Cost:	$1,566,700	
Additional Manpower: 59 FTE		$1,256,700
Other Recurring Cost:		$ 310,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	29,580	$118.22	$ 3,497
Alterations	220	31.82	7
Other Costs			
A. Site Work & Connecting Corridors			523
B. SBA 8(a) Allowance			576
C. Art-in-Architecture			30
D. Projected Inflation			1,367
			$ 6,000

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$6,000	...	$6,000	...

VAMC TAMPA, FLORIDA

120-Bed Nursing Home Care Unit

I. Justification for Proposed Project

There are no nursing home care beds at VAMC Tampa. Medical District No. 12 has 280 nursing home care beds and 240 beds are funded for construction. These 520 beds represent 59% of the District's needs. The 120 beds at VAMC Tampa and the additional 80 at VAMC Lake City (also proposed for FY 1982) will increase this percentage to 81%.

II. Description of Proposed Project

This project provides 120 nursing home care beds in new construction adjacent to the existing medical center and associated support areas such as dining, recreation and rehabilitation medicine.

III. A-95 Summary

The VA notified State and Areawide Clearinghouses on December 27, 1979. A favorable reply was received from the State Clearinghouse on February 19, 1980. The Areawide Clearinghouse endorsed the project on January 17, 1980 with a request for additional information which was provided on February 1, 1980.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$ 436,000	
One Time Non-recurring Cost:	$ 60,000	
Total Recurring Cost:	$3,112,100	
Additional Manpower 117 FTE		$2,492,100
Other Recurring Cost:		$ 620,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	58,500	$102.92	$ 6,021
Alterations	3,000	82.33	247
Other Costs			
A. Utilities			116
B. Connecting Corridors			192
C. Chiller Building			102
D. Special Foundation			1,314
E. Emergency Generator			282
F. Projected Inflation			2,326
			$10,600

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$10,600	...	$10,600	...

VAMC LINCOLN, NEBRASKA

Outpatient Addition

I. Justification for Proposed Project

Serious space and functional deficiencies exist in Outpatient Care, Pharmacy, Radiology, Supply Processing and Distribution, Laboratory and Surgery. Fire and Safety deficiencies also require correction. Access to the site is limited to one roadway.

II. Description of Proposed Project

A new addition to Building No. 1 will be constructed to house Outpatient Care, Pharmacy and Supply Processing and Distribution (SPD). Surgery, Laboratory and Radiology Services will be expanded into renovated space. Fire and Safety deficiencies will be corrected. A new access driveway will directly service the Outpatient area.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on April 7, 1978. The State Clearinghouse responded on May 11, 1978, with a favorable comment. The Areawide Clearinghouse responded on August 10, 1978, and offered no comment.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$1,000,000	
One Time Non-recurring Cost:	$ 200,000	
Total Recurring Cost:	$ 754,900	
Additional Manpower: 23 FTE		$489,900
Other Recurring Cost:		$265,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	31,149	$154.48	$ 4,812
Alterations	15,424	92.00	1,419
Other Costs			
A. Utilities, Sitework, Demolition			764
B. Projected Inflation			2,205
			$ 9,200

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$9,200	...	$9,200	...

VAMC MARION, ILLINOIS

Outpatient Addition

I. Justification for Proposed Project

Major functional and space deficiencies exist at this Medical Center in Outpatient Care, Pharmacy, Dental, Laboratory, M.A.S. and Radiology. A need also exists for Outpatient Psychiatric Treatment as well as Alcohol Treatment Clinic.

II. Description of Proposed Project

A new addition to the main building will be constructed for expanded Outpatient Clinics, Outpatient Pharmacy, Dental Service, Laboratory Service, and Radiology Service. Medical Administration Service will expand into vacated space and a portion of the new addition. Day Hospital and Alcohol Treatment programs will be provided in vacated space.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouse on December 26, 1979. The State Clearinghouse responded on February 28, 1980, with a favorable comment. No response has been received from the Areawide Clearinghouse.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$1,800,000	
One Time Non-recurring Cost:	$ 100,000	
Total Recurring Cost:	$1,075,100	
Additional Manpower: 27 FTE		$ 575,100
Other Recurring Cost:		$ 500,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	53,223	$124.89	$ 6,647
Alterations	13,596	98.56	1,340
Other Costs			
A. Utilities, Sitework, Site Clearance, & Demolition			882
B. Connecting Corridors			118
C. Phasing			110
D. Impact Cost			150
E. Art-in-Architecture			50
F. Projected Inflation			2,103
			$11,400

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$11,400	...	$11,400	...

VAMC MIAMI, FLORIDA

Outpatient Addition, Renovation, and Spinal Cord Injury Relocation

I. Justification for Proposed Project

This medical center is experiencing in excess of 195,000 outpatient visits per year in space that is grossly inadequate for this workload. Additionally, the Spinal Cord Injury Unit requires relocation from the 12th floor to ground level to improve patient safety, quality of care, and ingress/egress capability at the center.

II. Description of Proposed Project

Project will provide new construction and renovation of existing facility space to provide necessary space for Outpatient Care expansion and relocation of the Spinal Cord Injury Unit. Since the original submission of this project in the FY 1981 Budget, we have experienced a 3% per month escalation rate in Dade and Broward counties, Florida. This current estimate is based on the greater inflation rate.

III. A-95 Summary

The VA notified State and Areawide Clearinghouses on February 23, 1978. No response has been received from either Clearinghouse.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$3,000,000	
One Time Non-recurring Cost:	$ 170,000	
Total Recurring Cost:	$1,753,600	
Additional Manpower: 42 FTE		$894,600
Other Recurring Cost:		$859,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	140,929	$153.40	$21,619
Alterations	84,826	72.76	6,164
Other Cost			
A. Relocate Bldg. 8 & 9			77
B. Utility Agreement & Impact Costs			600
C. Art-in-Architecture			50
D. Projected Inflation			$20,490
			$49,000

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$49,000	...	$49,000	...

VAMC MUSKOGEE, OKLAHOMA

Outpatient Addition

I. Justification for Proposed Project

The existing buildings were constructed in 1920. The combination of space and equipment deficiencies, poor functional alignment, and inadequate transport system poses serious operational problems for the Medical Center.

II. Description of Proposed Project

This project proposes construction of a two-story clinical addition and renovation of existing space. Services or functions included are: Pharmacy, Outpatient Care, Medical Administration, Supply Processing and Distribution (SPD), Radiology, and Laboratory.

Provisions to accommodate the expansion and realignment of Surgical Service, Nuclear Medicine, and various administrative and education functions are also included in the scope of work.

Transport systems include three new elevators and a dumbwaiter in SPD. Automatic fire protection systems in all areas affected by this project are included in the scope of work.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on April 5, 1978. The State Clearinghouse responded on July 6, 1978, with a favorable comment. No response has been received from the Areawide Clearinghouse.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$1,600,000	
One Time Non-recurring Cost:	$ 90,000	
Total Recurring Cost:	$ 961,200	
Additional Manpower: 24 FTE		$511,200
Other Recurring Cost:		$450,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ In 000)
New Construction	55,510	$101.60	$ 5,640
Alterations	28,710	62.07	1,782
Other Cost			
A. Site Work & O/S Utilities			210
B. Art-in-Architecture			50
C. Projected Inflation			2,418
			$10,100

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$10,100	...	$10,100	...

VAMC TUSCALOOSA, ALABAMA

Outpatient Addition

I. Justification for Proposed Project

Outpatient and support services are currently located in the main medical and surgical bed building. The services are in space far below existing criteria and are poorly aligned.

II. Description of Proposed Project

The project will provide new or renovated space for Outpatient, Medical Administration, Pharmacy, Laboratory Service, Radiology Service, Dental, Day Treatment and Mental Hygiene Clinic.

III. A-95 Summary

The VA notified State and Areawide Clearinghouses on December 26, 1979. The Areawide Clearinghouse concurred with the project on January 2, 1980. The State Clearinghouse did not acknowledge.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$3,000,000
One Time Non-recurring Cost:	$ 700,000
Total Recurring Cost:	$1,231,600
Additional Manpower: 32 FTE	$681,600
Other Recurring Cost:	$550,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	68,976	$118.95	$ 8,204
Alterations	27,872	89.94	2,507
Other Costs			
A. Site Work, O/S Utilities, Parking & Demolition			1,420
B. Unfinished Basement			1,011
C. Art-in-Architecture			50
D. Impact Cost			139
E. Projected Inflation			3,569
			$16,900

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$16,900	...	$16,900	...

VAMC & ROC WICHITA, KANSAS

Renovation for Outpatient

I. Justification for Proposed Project

Outpatient Care, Pharmacy, and Canteen Services are functioning in space significantly below current criteria. Functional deficiencies in Canteen and Inpatient Pharmacy compound this space shortage. Administrative Services, i.e., MAS, Personnel, Fiscal, Supply Administration, are functioning within large open areas vacated by the VA Regional Office. Noise distraction is a common problem during active day-to-day operation. The five nursing units at this station are in need of renovation.

II. Description of Proposed Project

This project proposes renovation of Building No. 26 for relocation and/or expansion of Outpatient Care, Canteen, Medical Administration, Fiscal, Supply Administration, and Personnel Services. Renovation of space in Building Nos. 1 and 19 will upgrade five antiquated nursing units by providing patient privacy, medical gases, new nursing stations, and air conditioning. Pharmacy will be expanded by relocating the inpatient functions into space to be vacated by Supply Processing and Distribution and by realigning the outpatient function within Building No. 3. A new ambulance entrance, and an upgraded outpatient entrance will be included.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on December 26, 1979. The Areawide Clearinghouse responded January 28, 1980, with a favorable comment. No response has been received from the State Clearinghouse.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$1,500,000	
One Time Non-recurring Cost:	$ 90,000	
Total Recurring Cost:	$ 833,400	
Additional Manpower: 18 FTE		$383,400
Other Recurring Costs:		$450,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	...	...	...
Alterations	88,476	$82.46	$ 7,296
Other Costs			
A. Utilities beyond 5' line & sitework			943
B. Projected Inflation			2,161
			$10,400

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$10,400	...	$10,400	...

VAMC LOUISVILLE, KENTUCKY

Medical Gases, Nurses Call and Patient Privacy

I. Justification for Proposed Project

The existing medical gases are available in only a few patient bedrooms, and it is not possible to extend the present system. The nurse call system is 30 years old, obsolete, and does not produce a video signal. Wards require partitioning to meet patient privacy standards.

II. Description of Proposed Project

This project proposes to provide a centralized air-oxygen-vacuum system to each medical and surgical bed unit. The obsolete nurse call system will be replaced. Privacy partitioning will allow installation of medical gases, nurse call, and overhead lights for reading and examination. The nurse call will be extended to the congregate toilet and bathing areas.

III. A-95 Summary

A-95 notification is not required on this project.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$300,000	
One Time Non-recurring Cost:	$ 10,000	
Total Recurring Cost:	$ 52,600	
Additional Manpower: 2 FTE		$42,600
Other Recurring Cost:		$10,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	...	...	...
Alterations	91,025	$32.62	$ 2,970
Other Costs			
A. Projected Inflation			730
			$ 3,700

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$3,700	...	$3,700	...

VAMC DANVILLE, ILLINOIS

Relocate and Expand Processing and Distribution

I. Justification for Proposed Project

Medical Center is critically deficient in space for Processing and Distribution (PAD) and Surgical activities.

II. Description of Proposed Project

This project will relocate and expand Supply Processing and Distribution into vacated space on the second floor of Building 58. Surgery Service and General Purpose Intensive Care Unit will then expand into space vacated by SPD.

III. A-95 Summary

A-95 notification is not required for this project.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$500,000	
One Time Non-recurring Cost:	$ 75,000	
Total Recurring Cost:	$152,800	
Additional Manpower: 6 FTE		$127,800
Other Recurring Costs:		$ 25,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	...	...	...
Alterations	45,568	$89.80	$ 4,092
Other Costs			
A. Emergency Generator and Freight Elevator			312
B. Phasing			439
C. Projected Inflation			1,557
			$ 6,400

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$6,400	...	$6,400	...

VAMC MEMPHIS, TENNESSEE

120-Bed Spinal Cord Injury and Research & Education

I. Justification for Proposed Project

The existing spinal cord injury beds are on upper floors of the main hospital building and should be at ground level. The facilities are undersized, fragmented from supporting elements, and located on floors that have inhibiting factors for essential rehabilitation programs, wheelchairs, litter transportation, and patient evacuation.

II. Description of Proposed Project

Project provides for construction of a new 120 bed spinal cord injury building with supporting clinics. The building will be connected by corridor to the main medical center building. An Outpatient Clinic for spinal cord injury patients will be included in the new building. Major rehabilitation facilities; i.e., driver training simulators, corrective therapy and physical therapy will be included in the spinal cord injury building. The basement level will contain new clinical research facilities and a central orthotics laboratory. The present authorized beds at this medical center is 922. The addition of these 120 SCI beds will bring the total authorized to 1,042. In renovating the vacated space (projects in the 5 year plan) for acute beds and support services, there is a possible loss of 40 beds at that future date.

II. A-95 Summary

The VA notified State and Areawide Clearinghouses on December 20, 1979. No acknowledgements have been received from either Clearinghouse.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$3,500,000
One Time Non-recurring Cost:	$ 600,000
Total Recurring Cost:	$ 400,000
Additional Manpower: None	
Other Recurring Cost:	$400,000

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	192,521	$122.04	23,496
Alterations	10,320	45.74	472
Other Costs			
A. Site work & O/S Utilities			1,120
B. Connecting Corridors			928
C. Art-in-Architecture			50
D. Impact Cost			50
E. Projected Inflation			7,884
			$34,000

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$34,000	...	$34,000	...

VAMC ST. LOUIS (JOHN COCHRAN), MISSOURI

Clinical Addition, Ward Renovation and
New Ambulatory Care Building

I. Justification for Proposed Project

This Medical Center is greatly deficient in space for Outpatient, Surgical Service, Intensive Care Units, Nuclear Medicine, Outpatient Mental Health, Education, Nursing Units, Organ Transplant, Clinical Cardiac Laboratory, Inpatient Pharmacy, Laboratory and other functional areas.

II. Description of Proposed Project

Project will consist of new construction and renovation work as follows:

a. Construction of a new five story addition consisting of Laboratory Service, Clinical Cardiac Lab, interstitial space, Surgical Suite, Surgical Intensive Care Unit, mechanical penthouse, Medical Intensive Care Unit, Coronary Care Unit, and Organ Transplant Unit.

b. New construction at the basement and first floor levels at the West end of the outpatient wing, to accommodate additional space for mechanical and electrical functions, and the new Supply Processing and Distribution unit and expansion of Ambulatory Care. The previous FY 1980 funded New Ambulatory Care Building and New Mental Health Care project is being combined with this project to decrease future staffing requirements and connect directly with the existing ambulatory care function.

c. Renovation work in existing construction for Supply Processing Distribution, Nuclear Medicine, Radiology, Surgical Service, Outpatient, two 30-bed medical nursing units, one 3-Bed surgical nursing unit, Medical Service Administration, and Inpatient Pharmacy.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on July 14, 1978. The State Clearinghouse responded on August 10, 1978, and offered no comment. The Areawide Clearinghouse responded on August 23, 1978, and offered no comment.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$4,500,000	
One Time Non-recurring Cost:	$ 550,000	
Total Recurring Cost:	$2,447,800	
Additional Manpower: 76 FTE		$1,618,800
Other Recurring Costs:		$ 829,000

VAMC ST. LOUIS (JOHN COCHRAN), MISSOURI (Cont'd)

Clinical Addition, Ward Renovation and
New Ambulatory Care Building

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	142,203	$156.96	$22,334
Alterations	89,163	108.63	9,686
Other Costs			
A. Utilities			1,937
B. Site Clearance & Demo.			684
C. Seismic			684
D. Elevators			148
E. Projected Inflation			10,027
			$45,500

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$45,500	$2,079	$43,421	...

The authorization request is for $43,421,000; the available funds of $2,079,000 were appropriated for a Major project, Ambulatory Care, in FY1980. The small project has been combined with this larger project proposed for authorization to gain efficiencies in the construction process.

VAMC SAN ANTONIO, TEXAS

Sprinkler System/Horizontal Exits
and Correct Fire & Safety Deficiencies

I. Justification for Proposed Project

Changes in the Life Safety Code have brought this facility into a deficient status in the areas of fire exit corridors and sprinkling of interstital space. Also, the project is necessary to correct a fire & safety deficiency cited by the Joint Commission on Accreditation of Hospitals.

II. Description of Proposed Project

Project proposes to sprinkle all floors and equipment rooms in the interstital space in Building No. 1. Protected horizontal exits will be provided to link floors to exterior exits or stairtowers.

III. A-95 Summary

A-95 notification is not required for this project.

IV. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	...	...	...
Alterations	631,532	$5.88	$ 3,712
Other Costs			
A. Impact Cost			44
B. SBA 8(a) Contract Allowance			519
C. Projected Inflation			1,425
			$ 5,700

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$5,700	...	$5,700	...

VAMC PALO ALTO, CALIFORNIA

Correction of Seismic Deficiencies
(Center Core Building)

I. Justification for Proposed Project

After the February, 1971 earthquake, which destroyed the older buildings at VAH San Fernando, California, the VA organized a committee of expert consultants to develop criteria and a program to investigate the capability of VA facilities to withstand seismic shocks. Facilities have been examined in geographic areas where moderate to severe earthquakes have occurred. VAMC Palo Alto was one of the sites evaluated by a team of architect-engineers. The results of their study, which have been reviewed by VA technical staff and the U.S. Geological Survey, indicate that numerous medical center buildings are not strong enough to resist an earthquake of the predicted intensity. It was also determined that services do not meet current space planning criteria and VA standards. It would be economically infeasible to reinforce these buildings.

II. Description of Proposed Project

This project will provide a new building to house services and functions now located in buildings that are below acceptable seismic standards and are not considered economical to reinforce. Seismically unsafe buildings vacated as a result of this project will be demolished in the future. Functions involved are Medical Administration, Rehabilitation Medicine Service, Voluntary, Outpatient Psychiatry, Dental, Radiology, EENT, Engineering, Ambulatory Care, Pharmacy, Brain Injury Clinic, Credit Union, Activities of Daily Living Center, Building Management, Canteen, Dietetics, Education, Medical Center Director's Suite, Library, Medical Media, Nursing, Personnel, Psychology, Psychiatry, Service Organizations, Social Work, Supply, and Veterans Assistance.

III. A-95 Summary

The VA notified the State and Areawide Clearinghouses on March 31, 1978. The Areawide Clearinghouse responded on May 19, 1978, and offered no comment. No response has been received from the State Clearinghouse.

IV. Annual Operating, Staff and Equipment Cost (Dollars)

Equipment Cost:	$6,000,000	
One Time Non-recurring Cost:	$ 300,000	
Total Recurring Cost:	$ 587,300	
Additional Manpower: 21 FTE		$447,300
Other Recurring Cost:		$140,000

VAMC PALO ALTO, CALIFORNIA

Correction of Seismic Deficiencies (Cont'd)
(Center Core Building)

V. Project Cost Summary

	Gross Square Foot Area	Cost Per Gross Square Foot	Total Cost ($ in 000)
New Construction	165,470	$133.82	$22,144
Alterations	...	...	...
Other Cost			
A. Utilities			1,235
B. Sitework			821
C. Building Demolition			640
D. Parking			375
E. Projected Inflation			4,985
			$30,200

VI. Budget Authority (In Thousands of Dollars)

Total Estimated Cost	Available Thru FY 1981	FY 1982 Request	FY 1983 or Future
$30,200	$3,015	$27,185	...

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VAOPC BOSTON, MASSACHUSETTS

I. Justification for Proposed Project

This project is needed for expansion and relocation since the clinic has been situated in a facility in excess of 25 years which has become inadequate for our requirements. Expanding workloads and new treatment modalities have made the present facility too small for continued service to the veteran patients.

II. Description of Proposed Project

The project will provide for expansion and relocation of the clinic by General Services Administration lease of 121,000 square feet of space in an existing or a newly constructed facility in downtown Boston (existing facility is 99,000 square feet).

III. Annual Operating and Equipment Cost (Dollars)

Total Estimated Annual Rental	$1,200,000
Equipment Costs	$3,751,000

VAOPC BROOKLYN, NEW YORK

I. Justification for Proposed Project

This project is needed for expansion and relocation since the clinic has been situated in a facility in excess of 25 years which has become inadequate for our requirements. Expanding workloads and new treatment modalities have made the present facility too small for continued service to the veteran patients.

II. Description of Proposed Project

The project will provide for expansion and relocation of the clinic by General Services Administration lease of 75,000 square feet of space in an existing or newly constructed facility in downtown Brooklyn (existing facility is 68,000 square feet).

III. Annual Operating and Equipment Cost (Dollars)

Total Estimated Annual Rental	$ 750,000
Equipment Costs	$2,325,000

VAOPC NEWARK, NEW JERSEY

I. Justification for Proposed Project

This project is needed for expansion and relocating since the clinic has been situated in a facility in excess of 25 years which has become inadequate for our requirements. Expanding workloads and new treatment modalities have made the present facility too small for continued service to the veteran patients.

II. Description of Proposed Project

The project will provide for expansion and relocation of the clinic by General Service Administration lease of 39,000 square feet of space in an existing or a newly constructed facility in down.own Newark (existing facility is 33,000 square feet).

III. Annual Operating and Equipment Cost (Dollars)

Total Estimated Annual Rental	$ 500,000
Equipment Costs	$1,209,000

VAOPC NEW YORK, NEW YORK

I. Justification for Proposed Project

This project is needed for expansion and relocation since the clinic has been situated in a facility in excess of 25 years which has become inadequate for our requirements. Expanding workloads and new treatment modalities have made the present facility too small for continued service to the veteran patients.

II. Description of Proposed Project

The project will provide for expansion and relocation of the clinic by General Services Administration lease of 187,000 square feet in an existing or a newly constructed facility in downtown New York City (existing facility is 171,000 square feet).

III. Annual Operating and Equipment cost (Dollars)

Total Estimated Annual Rental	$1,500,000
Equipment Costs	$5,797,000

VAOPC LOS ANGELES, CALIFORNIA

I. Justification for Proposed Project

The project is needed due to substantial life safety and seismic deficiencies in the present facility which has been in service nearly 20 years. Expanding workloads and new treatment modalities also have made the present facility too small for continued service to the veteran patients.

II. Description of Proposed Project

The project will provide for expansion and relocation of the clinic by General Services Administration lease of 112,000 square feet of space in an existing or a newly constructed facility in downtown Los Angeles (existing facility is 71,000 square feet).

III. Annual Operating and Equipment Cost (Dollars)

Total Estimated Annual Rental	$1,000,000
Equipment Costs	$3,472,000

VAOPC SAN ANTONIO, TEXAS

I. Justification for Proposed Project

This project is needed for the expansion and relocation of the outpatient clinic as the current facility has become inadequate and has Fire and Safety deficiencies. Expanding workloads and new treatment modalities have made the present facility too small for adequate service to the veteran patients.

II. Description of Proposed Project

The project will provide for expansion and relocation of the clinic by General Services Administration lease of 56,000 square feet of space in an existing or a newly constructed facility in downtown San Antonio (existing facility is 38,000 square feet).

III. Annual Operating and Equipment Cost (Dollars)

Total Estimated Annual Rental	$ 840,000
Equipment Costs	$1,736,000

AUTHORIZATION STATUS REPORT

Location	Description	Cost Authorized	Cost Available	GSF Space	Status*
Altoona, PA	Ambulatory Care Addn.	10,400,000	10,400,000	81,731	W.D.
Amarillo, TX	Central A/C, Patient Priv., & Elim. F/S Def.	6,139,000	6,139,000	84,111	W.D.
Bath, NY	Ambulatory Care Addition	4,400,000	4,400,000	37,000	W.D.
Biloxi, MA	Clinical Addition	20,750,000	20,750,000	135,025	W.D.
Boston, MA	Secondary Gen. & Updating of Interior Wiring	2,550,000	2,550,000	N/A	W.D.
Bronx, NY	120-Bed NHC Unit	11,700,000	11,700,000	58,161	W.D.
Castle Point, NY	Relocation & Replacement of Boiler Plant	2,800,000	2,800,000	1,878	W.D.
Chillicothe, OH	Modernization	13,700,000	13,700,000	173,310	W.D.
Coatesville, PA	120-Bed NHC Unit	8,500,000	8,500,000	50,000	W.D.
Dallas, TX	120-Bed NHC Unit	7,850,000	7,850,000	54,432	W.D.
Danville, IL	Relocation & Exp. of Processing & Distr.	5,600,000	- 0 -	45,568	W.D.
Fayetteville, AR	Clinical Addition	4,500,000	4,500,000	38,392	W.D.
Hampton, VA	Relocation & Expan. of Spinal Cord Injury Unit	5,150,000	5,150,000	36,485	W.D.
Hines, IL	Supply Depot Expansion	**	- 0 -	78,500	W.D.
Iowa City, IA	Elim. of Fire & Safety Deficiencies	2,700,000	2,700,000	N/A	W.D.
Kerrville, TX	120-Bed NHC Unit	7,750,000	7,750,000	48,017	W.D.
Long Beach, CA	Addn. & Renovation for Processing & Distr.	2,550,000	2,550,000	24,480	W.D.
Martinez, CA	Education Building	2,300,000	2,300,000	13,140	W.D.
Memphis, TN	Ambulatory Care Addition	9,250,000	9,250,000	26,700	W.D.
Miami, FL	Outpatient Addition, Renovation and Spinal Cord Injury Relocation	26,650,000	- 0 -	225,755	W.D.
Minneapolis, MN	Replacement Hospital	15,000,000	15,000,000	1,468,718	W.D.
New Orleans, LA	Expansion of Clinical, Outpatient, Research and Education Space	67,650,000	67,650,000	465,885	W.D.
Palo Alto, CA	Elimination of Fire & Safety Deficiencies	4,000,000	4,000,000	45,094	W.D.
Palo Alto, CA	Correction of Seismic Deficiencies	**	3,015,000	165,470	W.D.
Pittsburgh, PA	Elimination of Fire & Safety Deficiencies	8,400,000	8,400,000	57,000	W.D.
Reno, NV	60-Bed NHC Unit	5,100,000	5,100,000	31,625	W.D.
Reno, NV	Laundry	2,420,000	2,420,000	8,400	C.O.
Temple, TX	Clinical Expansion	27,600,000	27,600,000	206,210	W.D.
Togus, ME	Renovate Bed Building	5,100,000	5,100,000	41,348	W.D.
Tucson, AZ	Clinical Expansion	**	20,850,000	120,727	W.D.
Wichita, KS	60-Bed NHC Unit and Underground Drainage Culvert	6,800,000	- 0 -	30,949	W.D.

* Status Codes:

W.D. - Working Drawings
C.O. - Construction
P.C. - Physically Complete

**		Authorized by House	Authorized by Senate
**	Hines, IL	$ 8,800,000	$ - 0 -
**	Palo Alto, CA	$ 3,015,000	$ 2,000,000
**	Tucson, AZ	$20,850,000	$16,000,000

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