

CONSOLIDATE LOAN GUARANTY ACTIVITIES

Project Description

VBA proposes to consolidate two of the four major functions of the Loan Guaranty program from their present location in 46 regional offices to three locations. The activities to be regionalized are Loan Processing and Loan Service & Claims. Servicing of Portfolio Loans will be consolidated into one location.

In 1992, VBA conducted a "Re-Engineering Study of Loan Guaranty." That study recommended:

- The Loan Processing and Servicing, Liquidation Management and Claims Management functions presently carried out at 46 regional offices should be relocated in a smaller number (3-5) of regional processing centers.
- The portfolio loan management operation should be centralized into one national processing center to bring VA into conformance with contemporary industry practices. It should be co-located with one of the regional servicing/processing centers.

The Loan Guaranty Service proposes implementing these recommendations over a four-year span, beginning in 1996.

Benefits of Consolidation of Loan Processing and Servicing

Bringing all loan processing and loan servicing activities into three regional centers will provide an economy of scale enabling all functions to be accomplished by specialized staffs. Having processing and servicing under one roof will facilitate shifting personnel between functions as workload fluctuates. There will be more flexibility to work employees on staggered shifts or cover for vacations due to a larger pool of similarly trained personnel. Training can be consistent and geared to specific aspects of the loan origination and servicing processes (bankruptcy, workouts, foreclosure, etc.). Rotational assignments for cross training can be handled in a more effective manner due to the larger pool of Loan Specialists.

The size of the operation will make specialization easier, so that Loan Assistants can be used to make preliminary servicing calls to ascertain reasons for default and potential for resolution. Journeyman Loan Specialists can concentrate on servicing, working out pay plans, reamortizations, etc. Other Loan Specialists can monitor and handle bankruptcy cases which require coordination with attorneys, courts and others. Loan Assistants can also specialize in handling the actual foreclosure process.

Regionalization will allow VBA to concentrate servicers in the western time zones. Studies have indicated that the most effective time to service loans is late afternoon, evenings and weekends, when people are at home. Servicing phone calls made during regular business hours in the Pacific Time Zone can be targeted for late afternoon and evenings for Eastern, Central

and Mountain Zones. This alternative is cost-effective since increased phone bills will cost less than overtime, night differential, and keeping VA facilities open after regular business hours for stations in other than Western time zones. Automatic callout devices, which require a large pool of loans and servicers to be economical, will facilitate calling across time zones during early evening hours and on Saturdays in addition to regular business hours. Other technological innovations such as folderless processing and servicing can be implemented more readily in such a setting due to economies of scale and automation.

Benefits of Centralization of Portfolio Management

VA currently manages approximately 37,000 portfolio loans among its 46 regional offices. Because all new and performing loans are included in loan sales, the residue which VA services is made up largely of older loans and those which have documentation or delinquency problems. These loans often require intensive primary servicing. There will be an economy of scale by having all portfolio loans serviced by a specialized group of LSRs and clerks. We also estimate that the loan sale process can be handled more efficiently from one location than from 46. (After a property is sold by the regional office, the vendee loan file will be shipped immediately to the centralized loan management center for PLS loan establishment.) The existing VA mortgage loan accounting system is antiquated, and would be cumbersome as a central database. We propose the purchase and modification of an off-the-shelf ADP system similar to those used by the mortgage servicing industry. Tax service contracts would be more attractive when escrowed accounts or PMS accounts are of sufficient volume to entice competition. In a centralized environment, insurance premiums can be paid electronically by VA to major insurance carriers based upon tape-to-tape exchanges.

Baseline and Quality Indicators

Measurement: Cure Ratio (percent)						
Indicator	Baseline	1996	1997	1998	1999	2000
Increase in cure ratio of defaults processed by VA*	83.00	83.94	83.94	84.89	85.82	85.82

The cure ratio describes the level of foreclosure avoidance. It represents the percentage of defaults processed that do not result in a claim payment to the lender. Therefore, in 1995 VBA expects a cure ratio of 83 percent, i.e. 83 out of every 100 defaults processed will result in a foreclosure (claim) avoidance. This is a result of our efforts to provide supplemental servicing assistance to veterans experiencing financial difficulties with current field station configurations. As the consolidation efforts proceed, we estimate the cure ratio will increase because of efficiencies of servicing in the regional center environment.

Implementation Approach

These moves must be coordinated with VBA's ADP Modernization effort. It would be counterproductive to regionalize or centralize without full automation. Our ADP capabilities are neither comparable to nor compatible with private-sector systems. We are in the midst

of a major overhaul of our ADP systems and in this process we must ensure that our systems are compatible with the large lenders, servicers, and insurance companies which deal with our program. Consolidation is not feasible unless our modernized ADP systems are in place.

Loan Processing and Servicing functions will be transferred from 43 regional offices and consolidated at three regional offices. All Portfolio management will be transferred to one of these centers. This consolidation will be implemented gradually, over a period of four years, from 1996 to 1999.

Milestones

Milestones	Begin Date	End Date
1. Establish first regional center	October 1995	September 1996
2. Reduce LGY employment by attrition	October 1996	September 1997
3. Establish second regional center	October 1997	September 1998
4. Establish third regional center	October 1998	September 1999
5. Reduce LGY employment by attrition	October 1999	September 2000

Resources and Methodology

Net General Operating Expenses (GOE) appropriation requirements for this project will total \$7,700,000 and 152 FTE in 1996. New hires are to be brought in at an average grade of GS-9/1 while those being transferred to other divisions will maintain the current Loan Guaranty Service average salary and grade (GS 10/3). Costs for recurring items to support all new hires have been estimated based on a VBA-wide average. These items include: travel; maintenance contracts; other communications and utilities; supplies and materials; and equipment purchases. Offsetting savings due to attrition are calculated in the same manner. Annual funding for greater-than-average telephone service as described above have been included at four times the normal rate for all employees of the regional centers. Rental costs have been provided for each new hire at a below-average rate assuming ideal locations for the regional centers. Additional space for file storage at the regional centers has been included due to the large number of files to be held at the centers. Additional funds have also been included to support additional shipment requirements associated with the files. First-year training funds have been included for all new hires to provide Loan Guaranty training as well as ADP training as outlined by the Office of Information Technology. Purchase an off-the-shelf ADP system similar to those used by the mortgage servicing industry (as described in the benefits narrative) is also part of the 1996 estimate. Estimates have been included for the establishment of each regional center's ADP requirements. These estimates include platform, hardware, cabling, etc.

Savings in the General Operating Expenses Appropriation

Estimated net savings in the GOE appropriation total 53 FTE and \$4,132,000 after consolidation is completed. The FTE savings are realized from operating efficiencies previously described

(applied at a rate of 3.33 percent for each regional center over a two-year period for a total efficiency savings of 10 percent) and from attrition as described below.

The Loan Guaranty Service estimates its attrition rate to be three percent per year. This will provide a savings of 59 FTE in 1996 and a five-year savings of 223 FTE. In order to provide additional savings through attrition, this plan assumes a VBA-wide attrition rate of three percent at all field stations and the introduction of a policy which states that as vacancies occur in other field elements, two out of three of those positions will be filled by reassigning personnel from on-station Loan Guaranty Divisions. As of July 1993, non-Loan Guaranty field personnel totalled 9,447 FTE. Two percent of this figure is 189 FTE. This is assumed to be the rate at which Loan Guaranty personnel may be reassigned until the goal figure of 799 on station FTE is reached within a five-year timeframe. Loan Guaranty field FTE, including the regional centers, will total 1,856 FTE in the year 2000.

Savings in the Loan Guaranty Housing Appropriations

The potential for savings in the Loan Service and Claims function is very substantial. The major costs of operating the Loan Guaranty program stem from foreclosures of GI loans. These costs are offset by fees paid by veterans and subsidy appropriations from the Congress. One of the major operational goals of program management is to minimize the number of foreclosures. Defaults which can be cured provide a dual benefit. Cures help veterans retain their homes and reduce the cost of the program to the taxpayers. VA closely tracks the cure ratio as a measure of the level of foreclosures compared to total defaults. The cure ratio is expressed as a percent of defaults that do not result in a claim paid to the lender/servicer. Therefore, a cure ratio of 75 percent for a fiscal year indicates that 75 percent of all the defaults processed during the fiscal year did not result in a claim payment by VA. During the past 20 years the cure ratio has ranged from about 65 to 90 percent. The most important influence on the cure ratio is the economy, i.e. inflation, unemployment, interest rates, growth in GDP, etc. It represents the environment in which the program operates.

However, VA can take actions that influence the cure ratio in a positive way. Data over the past nine years indicates that the level of supplemental servicing, as measured by contacts with borrowers can on margin influence the cure ratio. In seven of the last nine years the cure ratio increased or decreased in relation to increases or decreases in total supplemental servicing contacts. In the last four fiscal years the level of contact has increased each year as the cure ratio improved each year. During the Houston Pilot project on loan servicing increased FTE were able to increase contacts by 176 percent. The cure ratio increased from 50.5 percent to 63.0 percent during the same period. There is ample evidence that increase supplemental servicing contacts will cure more defaults over the long run. The economy will always play the strongest role in the level of defaults and cures but supplemental servicing can produce positive results. Even if the cure ratio is decreasing because of a deteriorating economy, supplemental servicing can slow the rate of descent.

At consolidated servicing centers, total contacts with delinquent borrowers will increase significantly. Well organized units using up to date ADP equipment and the redesigned LCS will undoubtedly make more contacts. This is especially true considering the advantages of

servicing from the Western time zones. Borrowers in the East can be contacted at 6-7 p.m. during normal business hours in the West. Conservatively we estimate that total contacts will increase by 20 percent. Using data from the Houston Pilot we estimate that this would improve the cure ratio by 2.82 percent. Savings to the Loan Guaranty Housing appropriations over five years are displayed in the following table.

Assuming 150,000 defaults processed in fiscal years 1996 through 2000 the following savings are projected:

<i>Methodology for Loan Guaranty Housing Appropriations Savings</i>					
(dollars in thousands)					
	Defaults Processed	Cure Ratio	Additional Cures	Savings per Cure	Total Savings
1996 *	50,000	.0282	1,410	\$15.950	\$22,490
1997	50,000	.0282	1,410	\$16.429	\$23,165
1998 **	100,000	.0282	2,820	\$16.922	\$47,720
1999 ***	150,000	.0282	4,230	\$17.428	\$73,720
2000	150,000	.0282	4,230	\$17.951	\$75,933
Total	500,000	.0282	14,100	NA	\$243,028

* 1996 - 150,000/3 = 50,000 defaults processed at the first consolidated site.

** 1998 Consolidation at two sites doubles the cures achieved to 2,820.

*** 1999 Consolidation at the third site increases cures to 4,230.

Cost and FTE Assigned

<i>Cost /Savings and FTE Assigned: GOE Appropriation</i>					
(dollars in thousands)					
	1996	1997	1998	1999	2000
Net Cost/Savings	\$7,700	(\$9,523)	(\$320)	\$6,811	(\$8,800)
FTE Assigned	152	(126)	44	224	(53)

<i>Cost /Savings and FTE Assigned: Loan Guaranty Housing Appropriations</i>					
(dollars in thousands)					
	1996	1997	1998	1999	2000
Net Cost/Savings	(\$22,490)	(\$23,165)	(\$47,720)	(\$73,720)	(\$75,933)
FTE Assigned

<i>Total Cost/Savings and FTE Assigned</i>					
(dollars in thousands)					
	1996	1997	1998	1999	2000
Net Cost/Savings	(\$14,790)	(\$32,688)	(\$48,040)	(\$66,909)	(\$84,733)
FTE Assigned	152	(126)	44	224	(53)

VETERANS BENEFITS ADMINISTRATION

1995 OMB Submission - Consolidation Initiative

Initiative:
1995 - LQY CONSOLIDATION
Consolidation of Loan Guaranty Activities
Net Costs/Savings - GOE

(dollars in thousands)

Subaccount	1996	1997	1998	1999	2000	
Total VBA						
1 Days in Year	261	281	261	281	261	
2 Cumulative Average Employment	152	(126)	44	224	(53)	
3 Average Annual Salary	\$18,697	\$54,881	(\$35,714)	\$11,147	\$115,982	
4 PERSONNEL COMPENSATION						
5 Regular Pay	1101	\$2,842	(\$6,915)	(\$1,545)	\$2,497	(\$6,146)
6 Overtime	1104	0	0	0	0	0
7 Terminal Leave	1105	0	0	0	0	0
8 Cash Awards	1114	0	0	0	0	0
9 SES Bonus	1115	0	0	0	0	0
10 Reemployed Annuitants	1116	0	0	0	0	0
11 Other Compensation	11xx	0	0	0	0	0
12 Subtotal Personnel Comp.		\$2,842	(\$6,915)	(\$1,545)	\$2,497	(\$6,146)
13 FELIF	1212	6	(17)	(3)	5	(13)
14 FICA	1214	60	(152)	(35)	58	(142)
15 Retirement	1216	136	(322)	(71)	111	(276)
16 Health Benefits	1218	242	(628)	(150)	258	(632)
17 Medicare	1220	41	(100)	(23)	37	(87)
18 VA FERS Regular Retirement	1222	113	(285)	(64)	111	(269)
19 VA FERS Special Retirement	1223	0	0	0	0	0
20 VA FERS Thrift Plan Contrib.	1224	30	(82)	(20)	36	(86)
21 Subtotal Regular Benefits		\$628	(\$1,586)	(\$365)	\$616	(\$1,505)
22 Empl. Comp. Payments	1204	0	0	0	0	0
23 Translocation Benefits	1208, 1209, 1210	0	0	0	0	0
24 COLA & Uniform All.	1219	0	0	0	0	0
25 Unemployment Compensation	1302	0	0	0	0	0
26 All Other Benefits	12xx, 13xx	0	0	0	0	0
27 Subtotal Personal Services		\$3,470	(\$8,501)	(\$1,911)	\$3,113	(\$7,651)
28 TRAVEL						
29 Employee & Local (.007)	(all exc 2128, 2130)	\$48	(\$39)	\$13	\$73	(\$18)
30 Beneficiary (.007)	2128	0	0	0	0	0
31 GSA Car Rental (.001)	2130	0	0	0	0	0
32 Subtotal Travel		\$48	(\$39)	\$13	\$73	(\$18)
33						
34 TRANSPORTATION OF THINGS	22xx	\$75	\$0	\$75	\$75	\$0
35 RENT, COMMUNICATION & UTILITIES						
36 FTS	2302	\$885	\$698	\$1,658	\$2,676	\$2,518
37 Comm. Recurring Telephone	2303	9	(8)	3	14	(4)
38 GSA Recurring Telephone	2304	52	(43)	13	81	(19)
39 IDCU	2311	36	(32)	12	58	(15)
40 VADATS (VACO)	2313	0	0	0	0	0
41 Regular Mail	2320	147	(126)	43	236	(56)
42 ADP Rental	2324, 2343	0	0	0	0	0
43 GSA Space (SLUC)	2331	259	(1,283)	(2,036)	(1,670)	(3,519)
44 Equipment Rental	2341	37	(32)	12	60	(15)
45 All Other	23xx	48	(1)	48	102	50
46 Subtotal Rent, Comm. & Util.		\$1,473	(\$827)	(\$247)	\$1,557	(\$1,060)
47						
48 PRINTING & REPRODUCTION	24xx	\$75	(\$63)	\$22	\$118	(\$27)
49 OTHER SERVICES						
50 ADP Services	2507, 2510, 2511, 2515, 2517	\$200	\$0	\$200	\$200	\$0
51 Repair of Furniture & Equip	2520	28	(22)	7	43	(10)
52 Maint. & Repair Services	2543, 2544	0	0	0	0	0
53 Representation Allowance	2577	0	0	0	0	0
54 Contracts/Personal Services	2580, 2581	816	0	67	67	0
55 Training & Conferences	2583, 2584	1,240	(9)	1,233	1,248	(5)
56 Grave Liners	2588	0	0	0	0	0
57 Education Services	2591, 2592, 2595	0	0	0	0	0
58 Contracts - SAA	2596	0	0	0	0	0
59 All Other	25xx	0	0	0	0	0
60 Subtotal Other Services		\$2,284	(\$31)	\$1,507	\$1,558	(\$15)
61 SUPPLIES & MATERIALS						
62 ADP Software, Purchased	2624	\$0	\$0	\$0	\$0	\$0
63 All Other	25xx	75	(62)	21	116	(29)
64 Subtotal Supplies & Materials		\$75	(\$62)	\$21	\$116	(\$29)
65 EQUIPMENT						
66 ADP Equipment/Software	3123, 3124	\$200	\$0	\$200	\$200	\$0
67 Utility & Operating Equipment	3150	0	0	0	0	0
68 All Other	31xx	0	0	0	0	0
69 Subtotal Equipment		\$200	\$0	\$200	\$200	\$0
70						
71 INSUR. CLAIMS & INDEMNITIES	43xx	\$0	\$0	\$0	\$0	\$0
72						
73 TOTAL OBLIGATIONS		\$7,700	(\$9,523)	(\$320)	\$6,811	(\$8,800)
74 Reimbursements						
75 TOTAL APPROPRIATIONS		\$7,700	(\$9,523)	(\$320)	\$6,811	(\$8,800)
76 New Budget Authority		7,700	(9,523)	(320)	6,811	(8,800)

Initiative:
 1995 - LGY CONSOLIDATION
 Consolidation of Loan Guaranty Activities
 Savings

VETERANS BENEFITS ADMINISTRATION
 FY 1995 Secretary's Submission - Planning Initiatives

(dollars in thousands)

Subaccount	1996	1997	1998	1999	2000
Total VBA					
1 Days in Year	281	281	261	281	281
2 Cumulative Average Employment	(287)	(565)	(834)	(1,093)	(1,370)
3 Average Annual Salary	\$34,449	\$35,368	\$36,279	\$37,253	\$38,308
4 PERSONNEL COMPENSATION					
5 Regular Pay	1101 (\$9,887)	1101 (\$19,983)	1101 (\$30,257)	1101 (\$40,718)	1101 (\$52,482)
6 Overtime	1104 0	1104 0	1104 0	1104 0	1104 0
7 Terminal Leave	1105 0	1105 0	1105 0	1105 0	1105 0
8 Cash Awards	1114 0	1114 0	1114 0	1114 0	1114 0
9 SES Bonus	1115 0	1115 0	1115 0	1115 0	1115 0
10 Reemployed Annuitants	1116 0	1116 0	1116 0	1116 0	1116 0
11 Other Compensation	11xx 0				
12 Subtotal Personnel Comp.	(\$9,887)	(\$19,983)	(\$30,257)	(\$40,718)	(\$52,482)
13 FELIF	1212 (24)	1212 (46)	1212 (71)	1212 (87)	1212 (122)
14 FICA	1214 (213)	1214 (439)	1214 (682)	1214 (937)	1214 (1,207)
15 Retirement	1216 (467)	1216 (931)	1216 (1,388)	1216 (1,839)	1216 (2,367)
16 Health Benefits	1218 (836)	1218 (1,814)	1218 (2,831)	1218 (4,192)	1218 (5,403)
17 Medicare	1220 (141)	1220 (287)	1220 (430)	1220 (575)	1220 (742)
18 VA FERS Regular Retirement	1222 (394)	1222 (821)	1222 (1,281)	1222 (1,777)	1222 (2,292)
19 VA FERS Special Retirement	1223 0	1223 0	1223 0	1223 0	1223 0
20 VA FERS Thrift Plan Contrib.	1224 (110)	1224 (241)	1224 (391)	1224 (567)	1224 (729)
21 Subtotal Regular Benefits	(\$2,185)	(\$4,579)	(\$7,174)	(\$9,984)	(\$12,864)
22 Empl. Comp. Payments	1204 0	1204 0	1204 0	1204 0	1204 0
23 Translocation Benefits	1208, 1209, 1210 0	1208, 1209, 1210 0	1208, 1209, 1210 0	1208, 1209, 1210 0	1208, 1209, 1210 0
24 COLA & Uniform Adj.	1219 0	1219 0	1219 0	1219 0	1219 0
25 Unemployment Compensation	1302 0	1302 0	1302 0	1302 0	1302 0
26 All Other Benefits	12xx, 13xx 0				
27 Subtotal Personal Services	(\$12,072)	(\$24,562)	(\$37,431)	(\$50,702)	(\$65,346)
28 TRAVEL					
29 Employee & Local (.007)	(all exc 2128, 2130) (\$87)	(all exc 2128, 2130) (\$178)	(all exc 2128, 2130) (\$270)	(all exc 2128, 2130) (\$363)	(all exc 2128, 2130) (\$466)
30 Beneficiary (.007)	2128 0	2128 0	2128 0	2128 0	2128 0
31 GSA Car Rental (.001)	2130 0	2130 0	2130 0	2130 0	2130 0
32 Subtotal Travel	(\$87)	(\$178)	(\$270)	(\$363)	(\$466)
33					
34 TRANSPORTATION OF THINGS	22xx \$0				
35 RENT, COMMUNICATION & UTILITIES					
36 FTS	2302 (\$211)	2302 (\$423)	2302 (\$643)	2302 (\$862)	2302 (\$1,108)
37 Comm. Recurring Telephone	2303 (16)	2303 (31)	2303 (48)	2303 (86)	2303 (82)
38 GSA Recurring Telephone	2304 (95)	2304 (191)	2304 (290)	2304 (387)	2304 (499)
39 IDCU	2311 (68)	2311 (140)	2311 (210)	2311 (280)	2311 (361)
40 VADATS (VACO)	2313 0	2313 0	2313 0	2313 0	2313 0
41 Regular Mail	2320 (281)	2320 (565)	2320 (855)	2320 (1,148)	2320 (1,474)
42 ADP Rental	2324, 2343 0	2324, 2343 0	2324, 2343 0	2324, 2343 0	2324, 2343 0
43 GSA Space (SLUC)	2331 (1,532)	2331 (3,155)	2331 (4,855)	2331 (6,664)	2331 (8,729)
44 Equipment Rental	2341 (70)	2341 (144)	2341 (218)	2341 (291)	2341 (376)
45 All Other	23xx (49)	23xx (102)	23xx (155)	23xx (208)	23xx (268)
46 Subtotal Rent, Comm. & Util.	(\$2,322)	(\$4,751)	(\$7,282)	(\$9,908)	(\$12,897)
47					
48 PRINTING & REPRODUCTION	24xx (\$140)	24xx (\$285)	24xx (\$428)	24xx (\$578)	24xx (\$738)
49 OTHER SERVICES					
50 ADP Services	2507, 2510, 2511, 2515, 2517 \$0	2507, 2510, 2511, 2515, 2517 \$0	2507, 2510, 2511, 2515, 2517 \$0	2507, 2510, 2511, 2515, 2517 \$0	2507, 2510, 2511, 2515, 2517 \$0
51 Repair of Furniture & Equip	2520 (49)	2520 (100)	2520 (155)	2520 (207)	2520 (266)
52 Maint. & Repair Services	2543, 2544 0	2543, 2544 0	2543, 2544 0	2543, 2544 0	2543, 2544 0
53 Representation Allowance	2577 0	2577 0	2577 0	2577 0	2577 0
54 Contracts/Personal Services	2580, 2581 0	2580, 2581 0	2580, 2581 0	2580, 2581 0	2580, 2581 0
55 Training & Conferences	2583, 2584 (21)	2583, 2584 (41)	2583, 2584 (63)	2583, 2584 (85)	2583, 2584 (111)
56 Grave Liners	2588 0	2588 0	2588 0	2588 0	2588 0
57 Education Services	2591, 2592, 2595 0	2591, 2592, 2595 0	2591, 2592, 2595 0	2591, 2592, 2595 0	2591, 2592, 2595 0
58 Contracts - SAA	2596 0	2596 0	2596 0	2596 0	2596 0
59 All Other	25xx 0				
60 Subtotal Other Services	(\$70)	(\$141)	(\$218)	(\$292)	(\$377)
61 SUPPLIES & MATERIALS					
62 ADP Software, Purchased	2624 \$0	2624 \$0	2624 \$0	2624 \$0	2624 \$0
63 All Other	26xx (137)	26xx (278)	26xx (421)	26xx (571)	26xx (732)
64 Subtotal Supplies & Materials	(\$137)	(\$278)	(\$421)	(\$571)	(\$732)
65 EQUIPMENT					
66 ADP Equipment/Software	3123, 3124 \$0	3123, 3124 \$0	3123, 3124 \$0	3123, 3124 \$0	3123, 3124 \$0
67 Utility & Operating Equipment	3150 0	3150 0	3150 0	3150 0	3150 0
68 All Other	31xx 0				
69 Subtotal Equipment	\$0	\$0	\$0	\$0	\$0
70					
71 INSUR. CLAIMS & INDEMNITIES	43xx \$0				
72					
73 TOTAL OBLIGATIONS	(\$14,828)	(\$30,195)	(\$46,050)	(\$62,410)	(\$80,558)
74 Reimbursements					
75 TOTAL APPROPRIATIONS	(\$14,828)	(\$30,195)	(\$46,050)	(\$62,410)	(\$80,558)
76 New Budget Authority	(14,828)	(30,195)	(46,050)	(62,410)	(80,558)

VETERANS BENEFITS ADMINISTRATION
1995 OMB Submission - Consolidation Initiatives

Initiative:
1995 - LBY CONSOLIDATION
Consolidation of Loan Guaranty Activities
Cost

(dollars in thousands)

Subaccount	1996	1997	1998	1999	2000
	Total VBA				
1 Days in Year	261	261	261	261	261
2 Cumulative Average Employment	439	439	878	1,317	1,317
3 Average Annual Salary	\$28,995	\$29,768	\$32,702	\$32,816	\$35,183
4 PERSONNEL COMPENSATION					
5 Regular Pay 1101	\$12,729	\$13,068	\$28,712	\$43,219	\$46,336
6 Overtime 1104	0	0	0	0	0
7 Terminal Leave 1105	0	0	0	0	0
8 Cash Awards 1114	0	0	0	0	0
9 SES Bonus 1115	0	0	0	0	0
10 Reemployed Annuitants 1116	0	0	0	0	0
11 Other Compensation 11xx	0	0	0	0	0
12 Subtotal Personnel Comp.	\$12,729	\$13,068	\$28,712	\$43,219	\$46,336
13 FELIF 1212	29	32	66	101	109
14 FICA 1214	273	287	647	995	1,065
15 Retirement 1216	603	608	1,317	1,950	2,091
16 Health Benefits 1218	1,078	1,186	2,781	4,450	4,771
17 Medicare 1220	182	187	408	611	657
18 VA FERS Regular Retirement 1222	508	536	1,218	1,888	2,023
19 VA FERS Special Retirement 1223	0	0	0	0	0
20 VA FERS Thrift Plan Contrib. 1224	140	157	371	601	643
21 Subtotal Regular Benefits	\$2,813	\$2,993	\$6,808	\$10,596	\$11,359
22 Empl. Comp. Payments 1204	0	0	0	0	0
23 Translocation Benefits 1208, 1209, 1210	0	0	0	0	0
24 COLA & Uniform All. 1219	0	0	0	0	0
25 Unemployment Compensation 1302	0	0	0	0	0
26 All Other Benefits 12xx, 13xx	0	0	0	0	0
27 Subtotal Personal Services	\$15,542	\$16,061	\$35,520	\$53,815	\$57,695
28 TRAVEL					
29 Employee & Local (.007) (all exc 2128, 2130)	\$135	\$138	\$283	\$436	\$448
30 Beneficiary (.007) 2128	0	0	0	0	0
31 GSA Car Rental (.001) 2130	0	0	0	0	0
32 Subtotal Travel	\$135	\$138	\$283	\$436	\$448
33					
34 TRANSPORTATION OF THINGS 22xx	\$75	\$0	\$75	\$75	\$0
35 RENT, COMMUNICATION & UTILITIES					
36 FTS 2302	\$1,094	\$1,121	\$2,299	\$3,538	\$3,626
37 Comm. Recurring Telephone 2303	25	25	50	78	78
38 GSA Recurring Telephone 2304	145	148	303	468	480
39 IDCU 2311	106	108	221	337	346
40 VADATS (VACO) 2313	0	0	0	0	0
41 Regular Mail 2320	428	439	898	1,384	1,418
42 ADP Rental 2324, 2343	0	0	0	0	0
43 GSA Space (SLUC) 2331	1,791	1,872	2,829	4,893	5,210
44 Equipment Rental 2341	109	111	228	353	361
45 All Other 23xx	97	100	203	312	318
46 Subtotal Rent, Comm. & Util.	\$3,795	\$3,824	\$7,031	\$11,463	\$11,837
47					
48 PRINTING & REPRODUCTION 24xx	\$215	\$221	\$450	\$685	\$711
49 OTHER SERVICES					
50 ADP Services 2507, 2510, 2511, 2515, 2517	\$200	\$0	\$200	\$200	\$0
51 Repair of Furniture & Equip 2520	77	78	163	251	258
52 Maint. & Repair Services 2543, 2544	0	0	0	0	0
53 Representation Allowance 2577	0	0	0	0	0
54 Contracts/Personal Services 2580, 2581	816	0	67	67	0
55 Training & Conferences 2583, 2584	1,261	33	1,295	1,333	106
56 Grave Liners 2588	0	0	0	0	0
57 Education Services 2591, 2592, 2595	0	0	0	0	0
58 Contracts - SAA 2596	0	0	0	0	0
59 All Other 25xx	0	0	0	0	0
60 Subtotal Other Services	\$2,354	\$111	\$1,725	\$1,851	\$362
61 SUPPLIES & MATERIALS					
62 ADP Software, Purchased 2624	\$0	\$0	\$0	\$0	\$0
63 All Other 26xx	212	217	446	686	703
64 Subtotal Supplies & Materials	\$212	\$217	\$446	\$686	\$703
65 EQUIPMENT					
66 ADP Equipment/Software 3123, 3124	\$200	\$0	\$200	\$200	\$0
67 Utility & Operating Equipment 3150	0	0	0	0	0
68 All Other 31xx	0	0	0	0	0
69 Subtotal Equipment	\$200	\$0	\$200	\$200	\$0
70					
71 INSUR. CLAIMS & INDEMNITIES 43xx	\$0	\$0	\$0	\$0	\$0
72					
73 TOTAL OBLIGATIONS	\$22,528	\$20,672	\$45,730	\$69,221	\$71,756
74 Reimbursements					
75 TOTAL APPROPRIATIONS	\$22,528	\$20,672	\$45,730	\$69,221	\$71,756
76 New Budget Authority	22,528	20,672	45,730	69,221	71,756