Performance Overview

Purpose of This Report

VA's FY 2007 Performance and Accountability Report (PAR) describes VA's accomplishments and progress during FY 2007 toward fulfilling its mission. The report is designed to enable Department management, our stakeholders, and our employees to assess VA's program and financial performance as compared to its goals and to use this information to make necessary improvements.

How We Measure Performance

VA employs a **five-tiered performance management framework** to measure performance.

Term	*Definition*
Strategic Goals	The Department's long-term outcomes as detailed in its Strategic Plan and articulated through four strategic goals and one enabling goal.
Strategic Objectives	Broad operational focus areas designed to achieve strategic goals. The Department has 21 strategic objectives.
Performance Measures	Specific measurable indicators used to measure progress towards achievement of strategic objectives. The Department uses different types of measures (i.e., outcome, output, and efficiency) to evaluate performance and progress.
Performance Targets	Associated with specific performance measures, these are quantifiable expressions of desired performance/success levels to be achieved during a given fiscal year.
Strategic Targets	Also associated with specific performance measures, these are quantifiable expressions of optimum success levels to be achieved; they are "stretch goals" that VA strives for in the long-term.

VA's strategic objectives are supported by 130 performance measures, 23 of which were identified by VA's senior leadership as **mission critical**. The Department's performance measures are a mix of program outcomes that measure the impact that VA programs have on the lives of veterans and their families, program outputs that measure activities undertaken to manage and administer these programs, and program efficiency that measures the cost of delivering an output or desired outcome.

Improvements to the FY 2007 Report

This year's PAR includes several improvements designed to give our stakeholders more complete information on VA's performance.

. Improvement	Benefit to VA's Stakeholders
Cost Per Measure Data	Consistent with the President's Management Agenda, the Department is furthering its integration of performance and budget information. As part of this effort, this year's PAR includes information on the cost of achieving performance targets for four measures. This is in addition to cost estimates provided by strategic goal and objective. We will expand our presentation of the cost to achieve individual performance goals in future reports.
Major Management Challenges	This year's report improves how major management challenges are presented. For each challenge, in an easy-to-read tabular format, there is an estimated resolution date, a summary of actions taken, the next steps planned, and anticipated impacts of actions. Together these elements provide a comprehensive analysis of the challenges facing the Department and what VA is doing to address them.
Performance Trends With Targets	For key and other important measures, in addition to the past five years' results (where available), we have added performance targets to provide the reader with a fuller context of progress. These data are accompanied by short narratives describing how management uses performance data to make operational program improvements and information on how performance results impact the veteran.

2007 Performance -- *A Department-Level Summary*

Key Measures -- *Continuity and Type*: Key measures are those that measure mission-critical activities. As of FY 2007, 19 of VA's 23 key measures have been in place for at least 4 years. This provides the Department's leadership with the ability to track significant performance trends over time and to make strategic adjustments when necessary. In addition, as shown in the chart below, VA has maintained a focus on the use of outcome and efficiency measures to assess mission-critical performance.

Performance Results: *Key vs. All Measures:* The chart below shows how well VA performed in meeting its performance targets. As shown, VA achieved the target for 45 percent of its key measures and 48 percent of all measures. In addition, for key measures, nine percent of the targets were not achieved, but performance improved from 2006. Further details on performance by goal and objective are provided on the following pages.

Cost to Achieve Performance Goals – *For 4 Selected Measures*

Last year, for the first time in the Performance and Accountability Report, the Department provided estimated cost information for three measures. As in the past, VA is also providing an estimate of costs devoted to achieve strategic goals and objectives. However, as a continuing part of the Department's overall effort to better identify resources required to achieve a certain level of performance, this year we show estimated costs to achieve a level of performance for four measures.

Measure	Fiscal Year 2007		
	Performance		Estimated Cost (Obligations) ($ in Millions)
	Target	Result	
Progress Towards Development of one new Treatment for Post-Traumatic Stress Disorder (pct. of milestones achieved)	**67%**	**67%**	**$2.7**[1]
Performance Impact	PTSD is an anxiety disorder that can develop after a person has been exposed to a terrifying event or ordeal in which physical harm occurred or was threatened. PTSD related to combat exposure is a major concern in the health of the veteran population. In cases where veterans do not respond to initial treatment, symptoms (including nightmares, disturbing memories during the day, sleep problems, and aggressive behavior) may persist for years. Therefore, effective relief of symptoms is needed.		
How VA Uses Performance Data	Results of PTSD studies are rapidly translated into clinical practice. The findings are published in a journal and discussed at conferences with VA, DoD, and university attendees.		
Annual Percent Increase of Non-Institutional, Long-Term Care as Expressed by the Average Daily Census (using 2006 as the baseline)	**26.3%**	**6.5%**	**$449.4**
Performance Impact	Increasing the number of veterans receiving Home and Community-Based Care (HCBC) services provides veterans with an opportunity to improve the quality of their lives. HCBC promotes independent physical, mental, and social functioning of veterans in the least restrictive settings.		
How VA Uses Performance Data	VA uses the data to project the need for services, evaluate existing services, and promote access to required services. In addition, the data are used to establish VISN (i.e., field office) targets and evaluate VISN performance in meeting assigned workload levels in the HCBC area.		

[1] The total obligations cover the costs of the researchers, equipment, and other expenses associated with performing the PTSD studies. There are additional costs including those for clinicians and other medical care employees' salaries that by law must come from the patient care appropriation and are not included.

Measure	Fiscal Year 2007		
	Performance		Estimated Cost (Obligations) ($ in Millions)
	Target	Result	
Rating Related Compensation Actions – Average Days Pending	**127**	**135**	**$815.6**
Performance Impact	On average, compensation claims that require a rating decision are pending 5 more days in 2007 than in 2006. An increase in the average age of the pending claims inventory indicates veterans are waiting longer for decisions on their claims.		
How VA Uses Performance Data	VA uses the results data to manage the compensation and pension programs and to implement performance improvement strategies. For example, as performance is monitored during the year, if performance declines are manifested in certain field offices, management takes corrective actions such as providing additional training and realigning workload or staffing levels. To improve the average days to process, VA is adding more resources. VA hired over 1,000 new staff in 2007, and further staff increases are expected in 2008. In addition, death pension claims and disability pension claims will be consolidated to the three Pension Maintenance Centers (PMCs)—this increases the number of resources dedicated to disability claims processing.		
Percent of Veterans Served by a Burial Option	**83.8%**	**83.4%**	**$149.3**
Performance Impact	By the end of 2007, more than 19 million veterans and their families had reasonable access to a burial option. One of VA's primary objectives is to ensure that the burial needs of veterans and eligible family members are met. Having reasonable access is integral to realizing this objective.		
How VA Uses Performance Data	VA analyzes census data to determine areas of the country that have the greatest unmet need for service by a burial option. This information is used in planning for new national cemeteries and for gravesite expansion projects to extend the service lives of existing national cemeteries, as well as in prioritizing funding requests for state veterans' cemetery grants.		