



# HOUSE BUDGET COMMITTEE

## Democratic Caucus

The Honorable John M. Spratt Jr. ■ Ranking Democratic Member

B-71 Cannon HOB ■ Washington, DC 20515 ■ 202-226-7200 ■ [www.house.gov/budget\\_democrats](http://www.house.gov/budget_democrats)

May 3, 2005

### The Budget Resolution Conference Report Cuts Funding for Veterans' Health Care by \$13.5 Billion Over 5 Years

Dear Democratic Colleague:

Last week, Republicans on the House floor denied that their budget cut funding for veterans' appropriated health care. Though their budget just barely keeps pace with inflation for 2006, it cuts funding below that level in every subsequent year. Over five years, the Republican conference report on the budget resolution cuts veterans' health care funding \$13.5 billion below what the Congressional Budget Office (CBO) estimates is needed to maintain services at their current levels.

#### Veterans' Appropriated Funding (Budget Authority in Billions of Dollars)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>5-year Total</u>
Republican Budget (conference report)	31.9	31.0	30.9	30.7	30.1	154.5
CBO est. to keep pace w/inflation	31.7	32.6	33.6	34.5	35.5	168.0
Cut below inflation*	0.1	-1.7	-2.7	-3.8	-5.5	-13.5

\*Note: Estimates do not subtract exactly due to rounding error.

Each March, CBO issues its official ten-year budget forecast that projects spending at the current level – adjusted solely for inflation – and thus estimates future budget deficits or surpluses. This “baseline” for appropriations for veterans' health care incorporates an average 2.9 percent annual rate of inflation, which is probably too low given rapidly escalating health care costs. In recent years, private health care spending per capita has increased an average 6.5 percent per year and private health care insurance premiums increased even more. The baseline does not include any non-inflationary factors contributing to rising costs such as increased enrollment or the increase in the average age of patients.

This baseline excluding supplemental funding is CBO's conservative estimate of what we will need just to maintain our current level of veterans' health care services. These March baseline numbers are on the attached page from CBO and are displayed in the table above. They show that the funding in the conference report on the budget resolution is \$13.5 billion less than needed to maintain purchasing power over the next five years.

If you have any questions on the budget resolution conference report, please do not hesitate to call us or the House Budget Committee Democratic staff at 6-7200.

Sincerely,

John M. Spratt, Jr.  
Ranking Democratic Member  
House Budget Committee

Chet Edwards  
Ranking Democratic Member  
Appropriations Subcommittee on Military  
Quality of Life and Veterans' Affairs

		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>VETERANS BENEFITS AND SERVICES</b>												
CBO Category Total for 03 03 - GENERAL PURPOSE NON-DEFENSE DISCRETIONARY SPENDING												
Pres Reest	BA:	30,737	31,441	30,547	30,483	30,281	29,658	30,523	31,412	32,322	33,267	34,214
	OP:	4,257	4,376									
	OT:	30,226	30,868	30,365	30,413	30,118	29,514	30,170	31,010	31,902	32,842	33,795
Mar05 Base	BA:	30,737	31,738	32,607	33,566	34,529	35,524	36,569	37,645	38,751	39,898	41,064
	OP:	4,257	4,376									
	OT:	30,226	31,155	32,154	33,271	34,163	35,089	36,110	37,171	38,266	39,410	40,582
Pres Reest -	BA:	0	-297	-2,060	-3,083	-4,248	-5,866	-6,046	-6,233	-6,429	-6,631	-6,850
Mar05 Base	OP:	0	0									
	OT:	0	-287	-1,789	-2,858	-4,045	-5,575	-5,940	-6,161	-6,364	-6,568	-6,787