

**House Report 108-674 - DEPARTMENTS OF VETERANS AFFAIRS AND  
HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES  
APPROPRIATIONS BILL, 2005**

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**MINORITY VIEWS OF HON. DAVID OBEY AND HON.  
ALAN B. MOLLOHAN**

The bill reported by the Committee for the Departments of Veterans, Housing and Urban Development and Independent Agencies fails the American people in a broad range of critical program areas. It epitomizes the problems created by the Majority Budget Resolution that favors super-sized tax cuts for our most well-off citizens at the expense of assistance to American communities and needy individuals. Although the bill reflects a sincere effort by a thoughtful and fair Chairman, the Subcommittee allocation is simply adequate to fund the vital programs under its jurisdiction--from veterans to the scientific community to the protection of our environment and the provision of adequate housing for low-income people. The pain in this bill is broad and deep and its substantial cuts are going to cause real harm.

Veterans programs are funded \$1.3 billion below the levels recommended by the bipartisan leadership of the Veterans Affairs Committee.

Funding for the section 8 housing voucher program is inadequate to maintain current program levels. This will mean fewer people can be housed and existing tenants may not have their leases renewed.

Except for the section 8 program, most of the other programs in HUD have been cut by 4.3 percent.

EPA is funded \$613 million below last year and funding for repairing our nations clean water infrastructure is cut by \$492 million. The bill cuts funding for wastewater construction by 40 percent.

NASA is funded more than \$1 billion below the level requested by the President and almost \$300 million below last year. At this level of funding, NASA cannot move forward on the proposed new Moon-Mars initiative nor can most of the cuts made in the President's budget to important programs be restored.

Finally, at a time when Congress has endorsed substantial increases in basic science funding at the National Science Foundation, this bill cuts funding by \$277 million below the President's request and \$110 million below the current year funding level.

*Veterans*

Unlike other agencies in this bill, the VA actually received an increase of \$1.2 billion for veterans health care above the President's request. The bipartisan leadership of the Veterans Affairs Committee as well as the veterans service organizations, however, have made it clear that a \$2.5 billion increase over the President's budget--\$1.3 billion more than the Committee-reported bill--is required to maintain existing service levels within the VA health care system.

This health care network for needy veterans, the largest in the United States, is overburdened by a large retiree population, principally of WWII and Korean War veterans, as well as a growing burden of new veterans returning from Iraq and Afghanistan. In 1995, the VA treated 2.6 million veterans. In fiscal year 2004, the Department expects to treat 4.6 million veterans. The overall medical care inflation rate for 2003 was more than double the general inflation rate. Hospital care and related services requirements for veterans are growing at a rate of 7.3 percent annually. Facility improvements recommended by the VA's CARES Commission are expected to cost \$1 billion per year for at least the next five to 10 years. Thousands of veterans are currently waiting for an appointment at a VA facility. Mental health services to current veterans and to those soldiers returning home today are inadequate. Medical and prosthetic research is cut by \$20 million in this bill at a time when research could have a direct impact on post deployment quality of life for our veterans. The bill reported by the Committee fails to adequately address any of these needs.

### *Housing*

The Committee-reported bill includes an increase of \$1.5 billion for section 8 vouchers. Unfortunately, this amount is inadequate to maintain even current levels of housing assistance for this needy population. We believe that the HUD section 8 housing vouchers program is at least \$100 million short. This funding level could reduce the number of families receiving assistance by between 5,000 and 10,000 families.

The Committee-reported bill makes several changes to the section 8 program. Some of the changes made include directing HUD to strip Public Housing Authorities of all but one week of their one-month program reserves. More than a week of reserves is needed to maintain financial stability and uninterrupted services to low-income families. The bill also cuts the administrative fees that housing agencies use to staff and operate the voucher program by \$48 million below last year's level, making it difficult to engage in important activities, such as attempting to reduce year-long waiting lists and promptly inspecting units.

All other HUD programs, except section 8, are cut by more than four percent below the FY 2004 level. The Community Development Block Grant program (CDBG), public housing funds, homeless assistance grants, and the elderly and disabled programs all are reduced. Further, for the second year in a row,

the HOPE VI program has been drastically reduced. In fiscal year 2003, HOPE VI was funded at \$570 million. In fiscal year 2005, the proposed funding level for HOPE VI is a mere \$143 million.

#### *Corporation for National and Community Service*

The bill also provides \$572 million for the Corporation on National and Community Service, a cut of \$70 million below the President's request of \$642 million. This cut means that the Corporation will fund 70,000 volunteers instead of 75,000 volunteers in fiscal year 2005.

#### *Environmental Protection*

The Committee recommendation reduces overall funding for the EPA by \$613 million compared to last year. In practical terms, this means less money to help communities improve the quality of their air and the safety of their water and less money for cleaning up toxic wastes. It means less money to help the 474 so-called 'non attainment' counties that EPA informed in April did not meet minimum public health standards under the Clean Air Act. It means the President's \$259 million in increases for Superfund (+\$124 million), brownfields clean-ups (+\$40 million), school bus diesel engines upgrades (+\$60 million), and an expanded Great Lakes initiative (+\$35 million) cannot be approved.

The largest cut by far, however, is the \$492 million reduction below last year in funding for the Clean Water Fund. In June, the EPA estimated the shortfall to upgrade the nation's aging water and sewer system over the next 20 years to be at least \$388 billion for our local towns and cities.

Given the remaining challenges to clean up our air and water and the enormous financial pressures on local communities, the overall eight percent reduction in funding for the EPA included in the Committee bill represents a serious retreat from our responsibilities.

#### *National Aeronautics and Space Administration*

NASA is funded at \$1.1 billion below the level requested by the President and almost \$300 million below last year. At this level of funding, NASA cannot move forward the Moon-Mars exploration program, nor can most of the cuts made in the President's budget to important existing programs be restored.

Many of the projects cancelled or deferred in the Administration's budget request were ill-conceived. Notwithstanding bi-partisan agreement on the Committee on this evaluation, cuts to NASA approved in the bill include: the delay of the Lunar Exploration mission; a cut in funding to the Crew Exploration Vehicle of more than half the requested amount; delay on the Jupiter Icy Moons orbiter (JIMO) missions and Project Prometheus; delay of the Living with a Star mission; a cut to research in bioastronautics of more

than one-third below the President's request; a cut to the International Space Station of \$190 million, and funding cuts to numerous other programs.

We are pleased with the NASA Administrator's recent statement concerning the Hubble Space Telescope. As part of the President's fiscal year 2005 budget submission, NASA announced the termination of the Hubble telescope and the cancellation of its' fourth servicing mission. In August, NASA reversed that decision and the Administrator stated that a robotics servicing mission to the space telescope would, in fact, go forward. The Minority is disappointed, however, that the Administrator did not wait for the results of a study being conducted by the National Academy of Sciences on the best method of servicing Hubble as promised by the Administrator in a Senate hearing. A preliminary report has been released from the Academy urging NASA not to take actions that would preclude the possibility of a shuttle servicing mission; however, NASA has chosen to proceed without consideration of the NAS's preliminary suggestions.

We support the Chairman's view that both this Committee and the Congress need more specific information on the President's Moon-Mars proposal to make informed and thoughtful funding decisions on critical programs. We hope that the Administration and NASA will continue to provide necessary information to Congress and to pursue a vigorous authorization process that is befitting such a substantial policy proposal.

Finally, we fully agree with the Chairman's commitment to the safe return to flight of the space shuttle fleet and the completion of the International Space station. We believe that is important for the United States to meet our commitments to our international partners with regard to the space station. We are concerned, however, about the escalating costs of the repairs to the shuttle fleet. Recently, the NASA Administrator stated on the record that the cost of fixing all the problems with the fleet could be at least \$2.2 billion. This cost is double the estimate provided to Congress one year ago and it is unclear that \$2.2 billion is the final number. Given the fiscal austerity of this bill--including the \$1.1 billion cut to NASA--it is difficult to imagine where funds could be found.

#### *National Science Foundation*

At a time when Congress has endorsed substantial increases in basic science funding at the National Science Foundation, this bill cuts funding by \$277 million below the President and \$110 million below the current year. Science is a long-term investment in the future by both the scientists and the academic community. Promising young students and faculty make career choices and universities invest in buildings and equipment based on the potential of financial support of their research. They are willing to compete with their peers based on the quality of their ideas but they ask that the federal government be a predictable partner in terms of overall support.

This Committee has tried in the past to be both a good partner and aggressive advocate for the National Science Foundation. Today, despite recent rhetoric in support of NSF funding and passage of a doubling authorization in 2002, the short-term message is stark for the community that depends on NSF support. This bill provides \$194 million less for investigator-initiated research than the President requested. That means that approximately 1,400 research projects which otherwise would have been funded next year will be rejected. It means the six new Science and Technology Centers which are expected to be selected by the NSF later this year will go unfunded. And it means that the Committee does not have enough money to reject the budget proposal to phase out NSF's Math and Science Partnerships program.

### *Conclusion*

Given this wide range of concerns, the Minority believes the Committee-reported bill is simply inadequate. We believe that significant additional resources will need to be added to the bill to address the critical needs of our veterans, public housing recipients, housing, science and the environment. Without these added resources, the bill fails the American people.

Dave Obey.

Alan B. Mollohan.

