

**House Report 109-464 - MILITARY QUALITY OF LIFE AND VETERANS
AFFAIRS, AND RELATED AGENCIES APPROPRIATIONS BILL, 2007**

**ADDITIONAL VIEWS OF REPRESENTATIVES CHET
EDWARDS, SAM FARR, AND DAVID R. OBEY**

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**MILITARY QUALITY OF LIFE AND VETERANS AFFAIRS
AND RELATED AGENCIES APPROPRIATIONS BILL, 2007**

The two most important decisions affecting the Military Quality of Life bill were not made while the bill was before the Committee.

On May 9, 2006, on a party-line vote, Committee Republicans cut the allocation for this bill by \$824 million below the President's request.

The next day the Majority pushed a bill through the House that provides taxpayers with incomes greater than \$1 million per year tax cuts of \$42,000, while families with incomes of \$50,000 a year would only get on average a \$46 tax cut.

Those two actions by the Republican Majority are the reason for this bare bones bill. While it provides a \$635 million increase in veterans spending above the President's request it also has to rely on a \$500 million budget gimmick; even with this fiscal sleight of hand the bill still fails military retirees' and veterans' medical needs.

Democrats offered three amendments that would have significantly improved the bill by eliminating the budget gimmick, making certain military retirees would not face increased costs, and ensuring the quality and timeliness of VA medical care. These amendments were part of a fiscally disciplined, balanced Democratic approach that would return Congressional budgeting to the principle of 'paying-as-you-go', providing additional funding for key investments and reducing the deficit by scaling back the supersized tax cuts for those making more than \$1 million a year.

MILITARY RETIREES

The President proposed to increase enrollment fees, co-payments and deductibles for military retirees less than 65 years of age within the Defense Health Program. The President's proposal included:

Raising the annual enrollment fees for TRICARE Prime;

Establishing annual enrollment fees for the more basic TRICARE Standard;
Increasing annual deductibles; and,
Raising the mail-order and retail pharmacy co-payments.

The Administration's budget claimed that these increased costs imposed on military retirees would raise \$735 million.

Democrats wholly reject imposing these fee increases on military retirees. Thankfully, the House Committee on Armed Services agreed and rejected the proposal. However, this bill fails to deal with the President's proposal to increase fees, leaving a \$735 million hole in the Defense Health Program.

Mr. Edwards offered an amendment to provide the necessary \$735 million that is needed to get the Defense Health Program through the next year, and to offset the costs proposed a minor reduction in the tax cut for those with annual incomes above a million dollars. A less than two percent reduction in the average tax cuts for people making over \$1 million a year would ensure the Defense Health Program is fully funded. Presented with a choice between reducing the tax cut for millionaires or adequately funding healthcare for military retirees, Republicans voted to protect the super-sized tax cuts for millionaires and rejected Mr. Edwards' amendment on a party-line vote.

BUDGET GIMMICKRY

The second Democratic amendment would have eliminated the budget gimmick that designated \$507 million for 20 routine military construction projects as an 'emergency' so that this funding would not count against the bill's allocation.

None of these projects were unforeseen. The Administration budget requested 310 military construction projects, including these 20 projects. They are all conventional military construction projects--things like hangars, barracks and unit headquarters. These projects are selected through long-term planning exercises developed by the services, coordinated by the Department of Defense, and then vetted by the Office of Management and Budget. None of these projects were designated by the Administration as emergency requirements.

Democrats recognized these projects as valid and continue to support our service men and women. However, the Minority has a more fiscally disciplined and balanced approach to addressing these critical needs.

Mr. Obey offered an amendment to pay for these 20 military construction projects by reducing the tax cuts for people making more than \$1 million a year by \$1,400 or one percent. Republicans defeated the amendment on a party-line vote.

VETERANS HEALTHCARE

Last year, the Administration was twice forced to admit that it failed to adequately budget for veterans health care. Twice, at the urging of Democrats, Congress provided additional funding to close the shortfall. After that fiasco, Congress understandably cast a skeptical eye on the President's 2007 request for VA healthcare.

This year, the Committee wisely chose to set its mark to the estimates offered in the Independent Budget, which is drafted by veterans service organizations, rather than the request of the Administration. As this report notes, the Independent Budget provides a more reliable yardstick. In total, the Committee provided an additional \$635 million above the President's budget.

While this increase is necessary and commendable we still believe that the bill leaves much room for improvement. The bill's allocation is still too low to meet many of the Independent Budget's recommendations, high priority construction projects were cut, and increases recommended by the authorizers could not be accommodated.

Mr. Farr offered an amendment to increase veterans health care funding by \$1.82 billion. For example, the amendment would have provided:

- \$300 million to fully fund the Independent Budget's mental health and prosthetics initiatives;
- An additional \$119 million to increase the number of full-time employees as suggested by the Independent Budget;
- An additional \$48 million in medical and prosthetic research;
- An additional \$232 million to offset in unjustifiable `savings' claimed by the President's budget;
- An additional \$471 million for long-term care the VA is statutorily required to provide;
- An additional \$341 million to enroll `lower priority' veterans who, while often called high income, are excluded from the VA healthcare system even though they make as little as \$27,000 a year;
- An additional \$8 million to allow the Inspector General to expand oversight efforts to make certain that veterans get the best healthcare in a timely manner;
- An additional \$115 million to restore badly needed hospital construction projects cut from the Administration's request;
- and,
- An additional \$73 million for General Operating Expenses to help reduce the claims processing backlog. Last year, 74,000 veterans waited more than six months to resolve a claim; today, over 95,000 are waiting.

The Farr amendment was paid for by reducing the average tax cut for people making more than \$1 million a year by slightly more than \$5,000, leaving them with \$109,025. The Majority defeated the amendment on a party-line vote.

Time and again, the Majority prioritized the needs of people making more than \$1 million a year ahead of key investments, such as health care for our veterans.

As a result, veterans will continue to wait too long for care, many will not get the mental health assistance they need, prosthetic research and services will be under funded, and `wealthy' lower priority veterans will continue to be denied access to VA healthcare altogether.

Meanwhile, there are 362,000 taxpayers with annual incomes over \$1 million who are scheduled to receive an average tax cut of \$114,172.

Committee Democrats only asked that we give a little bit less to those who already have much so that we could do a little bit better

by our veterans. We were told by the Majority that this was not `legitimate.'

In a time of war, reducing a millionaire's tax cut in order to care for those `who shall have borne the battle' is not only legitimate, it is a moral imperative.

Chet Edwards.
Sam Farr.
David R. Obey.

