

**House Report 108-235 - DEPARTMENTS OF VETERANS AFFAIRS AND
HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES
APPROPRIATIONS BILL, 2004**

**DISSENTING VIEWS OF HON. DAVID OBEY AND HON.
CHET EDWARDS**

The appropriations bill for the Departments of Veterans, Housing and Urban Development and Independent Agencies reported by the Committee is wholly inadequate in its attempt to provide resources for the needs of many of our most deserving citizens. This is especially true with veterans--those men and women who made sacrifice after sacrifice to guarantee our freedom. Veterans who have laid their lives on the line deserve more than waving flags and grateful words. Unfortunately, this bill fails to meet many of its basic obligations to these veterans, especially in funding for the VA medical care system.

In 1995, VA treated 2.7 millions veterans; in 2002 there were approximately 4.5 million patients. An additional 600,000 veterans are projected to enroll in VA health care in 2003. The \$1.3 billion increase requested in the Administration's budget for veterans' medical care and approved by the Committee is, simply, not enough. Overall, the amount provided in the bill for veterans' health care is \$1.1 billion less than the \$2.4 billion increase provided by the Congress last year for veterans' health care. Enrollment in the VA medical care system continues to grow at a rate of 9 percent per year and inflation in medical care exceeds 3 percent. To deal with this 12 percent minimum requirement just to maintain current services the bill provides less than a 6 percent actual increase in funding. The result is that the system cannot meet the increased demand for services let alone address the large need for new investments within the VA health care network.

Insufficient funding has put a huge strain on the system. More than 235,000 veterans are currently waiting six months or more for initial appointments and many veterans have reported waiting two years to see a doctor. With so many veterans waiting for care, VA has now reached capacity at many health-care facilities and has closed enrollment to new patients at many hospitals and clinics. Additionally, the VA has placed a moratorium on all outreach activities to veterans to squelch demand.

The Committee bill ignores the pledge made to veterans groups by the House leadership. Veterans have been betrayed and deceived. The Congress and the Republican Leadership of the House have reneged on its promise made in the context of the FY 2004 Budget Resolution to provide a \$3.4 billion increase over the FY 2003 level for veterans' medical care. The concerns of the veterans groups are expressed in the attached letter from the

Independent Budget group, as well as by numerous other veterans' organizations. Here are some of the comments made by the veterans' service organizations:

The VA-HUD-Independent Agencies appropriations bill, which calls for a \$1.4 billion increase over last year and approximately the President's request, is wholly inadequate to provide health care to sick and disabled veterans and represents a flagrant disregard of promises made to veterans by this Congress * * * (The Independent Budget, July 18, 2003)

So much for promises * * * The funding levels and cost-shifting schemes are specifically designed to ration care at VA hospitals, increase waiting times for services and rely on higher fees and co-payments from certain sick and disabled veterans to subsidize the health care for others (Press release, AMVETS, DAV, PVA, VFW, July 18, 2003)

My greatest disappointment with this bill is that the drastic cuts made to the various programs in this bill are preventable, the result of the myopic focus of the House Republican Leadership on tax cuts as their top, if not only, priority--regardless of the consequences. This VA-HUD bill reflects this policy as veterans, as well as housing, and environmental programs, are reduced to finance taxes for many very wealthy Americans. We on the Minority want to be clear that we reject this Republican fiscal policy. We believe that the current bill is not an adequate response to the needs of the American people. This country and its leadership have the ability, even in difficult economic times, to provide the necessary resources to serve its veterans, provide adequate housing for its elderly, disabled and indigent citizens, protect its environment and support basic scientific research, if they so choose.

It is my view, and that of many on the Minority, that the bill, as currently written, is not an adequate response to the needs of the American people. For these reason, I would urge all Members to vote against any rule which does not permit amendments to address these failings. Members should insist that this Congress honor the promise it made to American's veterans and provide additional funds for veterans health care and other critical programs.

Dave Obey.
Chet Edwards.

ADDITIONAL VIEWS OF THE HONORABLE ALAN MOLLOHAN

The appropriations bill for the Departments of Veterans, Housing and Urban Development and Independent Agencies reported by the Committee reflects the sincere effort of a very capable Subcommittee Chairman to allocate scarce resources fairly and thoughtfully among many of the most critical programs of our federal government. These include health care for our veterans, investments in basic scientific research, housing programs for the most vulnerable of our citizens and programs to protect and improve the environment. The Subcommittee Chairman consulted with the Minority Members of the Committee throughout this difficult process and bill reflects our views and recommendations in many areas. Unfortunately, a fair and open process presided over by a capable chairman committed to meeting the needs of the country cannot make up for an overall allocation of funds to the subcommittee which is inadequate. Thus, in the end, this bill does not adequately meet many obligations because there was just not enough funding available to the Majority.

I would be remiss if I did not recognize the positive aspects of the bill. These include restoration of many of the cuts proposed by the President as well as making some important investments. Within very constrained resources, the bill provides a relatively generous \$330 million, 6 percent, increase for basic science programs at the National Science Foundation. These funds may provide the next generation with the fundamental scientific advances that lead to new sources of energy, new mechanisms of communication beyond the Internet, and a basic understanding of the chemistry and biology underlying the life processes.

For the Department of Housing and Urban Development the bill provides a \$1.3 billion increase for the section 8 low-income housing program, necessary to renew all vouchers using the latest verified per unit cost data and provide a cushion for those housing agencies that are increasing their utilization rates. We continue to make every effort to maintain our commitment of funding all voucher renewals. This bill again makes changes to section 8 administrative fees and we hope to work with the majority to ensure that this new process is fair and equitable to both large and small public housing authorities. Lastly, the bill provides level funding or slight increase for most other HUD accounts.

The bill recognizes within its restricted allocation that veterans health care is a top priority by providing an increase for this program of \$1.3 billion. Although insufficient, this does represent nearly half of the total increase available for the entire bill.

The bill also provides \$480 million for the Corporation for National and Community Service, \$96 million above the current year's appropriation. It

must be noted that it is very rare for a House appropriations bill to contain funding for this program. The Chairman is to be recognized for this effort in light of the Corporation's recent financial difficulties and the limits they have placed on the AmeriCorp program. While this funding is an endorsement of the merit of the volunteer programs, the Corporation must undertake significant financial and accounting reforms to maintain such support in the future.

Unfortunately, like most of the accounts in this bill, NASA is essentially flat-funded with a mere one percent increase above last year's level. The report accompanying this bill states that the Committee has chosen to defer decisions in many areas until the Gehman Board's report concerning the loss of the Columbia shuttle is released. This is a wise decision. The issue we face, however, is how do we fund the necessary changes and improvements recommended by the Board's report and NASA's response to this report? How will we find additional monies to fully address the challenges NASA will have to overcome to return to flight? We must work to ensure that NASA has the appropriations needed to safely operate the shuttle and to make the necessary technology investments to develop a replacement vehicle.

There are several programs in the bill that did not see increases at all. While most of the programs at HUD are funded at or about last year's level, the Shelter Plus Care program was again merged with the Homeless Assistance Grants program. The Committee was also unable to fully fund the President's budget request for homeless grants and did not fund HUD's new homeless initiative--the Samaritan program. This does nothing to meet the President's stated priority of ending chronic homelessness in ten years. Within EPA, the president's request for clean-up of Superfund sites has been reduced by \$114 million. Further, the Committee has provided only \$51 million to the Community Development Financial Institutions (CDFI) fund--down from \$75 million in last year's bill.

In a few areas, however, the funding provided in the bill is clearly inadequate. We are especially concerned by major shortfalls in three critical areas.

I cannot support the recommendation to drastically cut funding for HUD's HOPE VI program, which not only eliminates obsolete public housing but also replaces it with mixed-income neighborhood revitalizing developments. The recommendation to reduce funding for HOPE VI from the \$570 million provided for fiscal year 2003 to \$50 million, as recommended in this bill, is essentially a recommendation to terminate HOPE VI. Eliminating the program will shortchange communities around the county. In addition to being an important program for the revitalization of our communities, there has been bipartisan support for this program in the House of Representatives.

The Committee's decision to reduce funding for the Clean Water State Revolving Fund from \$1.35 billion in the current year to \$1.2 billion is an

excellent example of the difficult choices the bill's inadequate allocations has forced. Given the large number of requests from Members of the House for assistance with their communities needs for clean drinking water and waste water treatment systems, how can Congress justify reducing funding for the main federal program to assist local communities in their efforts to fix their decaying water treatment systems? Last September, Environmental Protection Agency Administrator Whitman released a major study entitled the Water Gap Analysis showing a funding shortfall nationwide in this area of at least \$380 billion. This report is a call for increased funding, not a justification for a \$150 million reduction.

By far the most serious problem with this bill, however, is its failure to adequately address the health care needs of our veterans. The \$1.3 billion increase requested in the Administration's budget and approved by the Committee is, simply, not enough. Overall, the amount provided in the bill for veterans' medical care is a \$1.1 billion less than the \$2.4 increase provided by the Congress last year for veterans' medical care. Medical care inflation is still running at near double-digit levels and enrollment continues to grow.

Inadequate funding has put a huge strain on the system. More than 235,000 veterans are currently waiting six months or more for initial appointments and many veterans have reported waiting two years to see a doctor in certain parts of the country. With so many veterans waiting for care, VA has now reached capacity at many health-care facilities and has closed enrollment to new patients at many hospitals and clinics. Additionally, the VA has placed a moratorium on all marketing and outreach activities to veterans. The inability of the Committee to address these needs can only lead veterans to conclude that the Republican Leadership of the House has reneged on its promise made in the context of the FY 2004 Budget Resolution to provide a \$3.4 billion increase over the FY 2003 level.

Every Member will have to judge these funding decisions when he or she decides how to vote when the bill is presented to the House. The greatest frustration with this bill is that the shortcomings that we have outlined are unnecessary. This country, even in difficult economic times, has the resources to serve its veterans, provide adequate housing for its elderly, disabled and indigent citizens, protect its environment and support basic scientific research. But adequate resources have been denied to the Committee to meet these obligations. This critical failing is the result solely of the myopic budgetary priorities of the House Republican Leadership with a focus on tax cuts as their top, if not only, priority. This VA-HUD bill is perhaps one of the best examples of the impact of taking funding out of the treasury to provide tax cuts for the very wealthy, forcing reductions in program for veterans, housing, and the environment. We on the Minority want to be clear that we reject this Republican fiscal policy and that we are hopeful that substantial additional funding can be found for this bill before it

becomes law. The allocation for this bill is not adequate to meet the needs of the American people.

ALAN B. MOLLOHAN.

