



APPROPRIATIONS ALERT

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MILITARY CONSTRUCTION/ VETERANS AFFAIRS APPROPRIATIONS (H.R. 5822)

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The Military Construction and Veterans Affairs and Related Agencies Appropriations bill (H.R. 5822) provides \$146.5 billion in total discretionary and mandatory budget authority [BA] for fiscal year 2011 – a 14-percent increase from the 2010 enacted level – and \$150 billion in outlays. Discretionary BA totals \$77.3 billion including an advance appropriation for veterans health care passed in the fiscal year 2010 MilCon/VA, and funding for Overseas Contingency Operations. The appropriated BA also includes mandatory spending of \$69.2 billion.

The modest reduction in discretionary BA (0.8 percent) results from a shift in funding from the Department of Defense [DoD] (for military construction) to the Department of Veterans Affairs [VA]. Thus DoD funding in the bill declines 19 percent, while spending for the VA, both discretionary and mandatory, increases 7 percent. The bill includes \$1.3 billion for Overseas Contingency Operations (see Table 2), designated as “emergency” spending and hence not counted against the 302(b) allocations established pursuant to the “deeming” resolution (H. Res. 1493). Because its spending does not exceed the subcommittee’s allocation, H.R. 5822 complies with the “deeming” resolution.

Table 1: Military Construction and Veterans Affairs and Related Agencies Appropriations Bill
(dollars in millions)

	2010 Enacted	2011 Request ^a	302(b) for 2011	H.R. 5822 ^a
Discretionary Budget Authority	78,005	77,255	n/a	77,256
Base	76,600	75,997	75,998	75,998
Overseas Contingency Operations	1,405	1,258	n/a	1,258
Other Emergencies	-	-	n/a	-
Discretionary Outlays	77,720	80,830	n/a	80,872
Base	76,937	80,149	80,895	80,183
Overseas Contingency Operations	761	681	n/a	689
Other Emergencies	22	-	n/a	-

^a Includes advance appropriations of \$44.8 billion for Veterans Health passed as part of the FY 2010 Military Construction and Veterans Affairs and Related Agencies Appropriations Act.

The measure, the first regular appropriations bill for fiscal year 2011 to be considered by the House, provides funding for military construction, family housing, and base realignment and closure; and funding to the VA. Key elements include the following:

- *Military Construction and Family Housing.* The bill provides \$18.7 billion for these accounts, equaling the President’s request. The BA is \$4.7 billion below the 2010 enacted level, reflecting planned reductions from the 2005 round of Base Realignment and Closure [BRAC], scheduled to wrap up in September 2011. The bill also provides \$1.3 billion for military construction related to Overseas Contingency Operations, a barely measurable \$2,000 less than the President’s request, and \$142 million below 2010.

- *Veterans Affairs.* Including the fiscal year 2011 “advance appropriations” from the 2010 MilCon/VA bill, the bill funds the VA at the President’s requested level of \$57 billion in discretionary BA. This represents an increase of 2 percent over the 2010 enacted discretionary level. In addition to its discretionary spending, the bill also increases mandatory spending by \$5.3 billion for veterans benefits, effectively undoing mandatory savings enacted as part of the fiscal year 2010 version of this bill.
- *Advance Appropriations.* The measure continues the practice of advance appropriations – providing BA for a year after the budget year – with \$50.6 billion in fiscal year 2012 spending for Veterans Medical Services, Medical Support, and Medical Facilities. Because these funds are being made available for a year other than the budget year, the Congressional Budget Office does not charge them toward spending levels in this bill. For 2012, however, the advances for these three account represents a 13-percent increase over the 2011 level.
- *Terminations and Reductions.* The Democratic Majority claims reductions of \$959 million from the President’s request in four DoD programs and one VA program. These reductions amount to approximately 1 percent of the fiscal year 2010 appropriation. As noted earlier, however, the net effect of the bill is to shift funding to VA from military construction, rather than reducing total expenditures.

Table 2: Military Construction and Veterans Affairs and Related Agencies Appropriations Bill
(discretionary BA millions of dollars)

	2010 Enacted	2011 Request	2011 Reported	% Change Rept/2010	% Change Rept/Reqst
Department of Defense	20,325	18,746	18,745	-8%	0%
Military Construction:					
Army	3,456	4,079	4,042	17%	-1%
Navy and Marine Corps	3,483	3,879	3,587	3%	-8%
Air Force	1,255	1,311	1,276	2%	-3%
Defense-wide	2,943	3,118	3,000	2%	-4%
Reserve and National Guard Components	1,583	1,439	1,810	14%	26%
Base Realignment and Closure	7,952	2,714	2,814	-65%	4%
Family Housing	2,259	1,822	1,822	-19%	0%
Other Defense programs (NATO & Chem. Demil.)	349	384	384	10%	0%
Veterans Affairs	55,994	56,967	56,964	2%	0%
Veterans Health Administration:					
Regular Appropriation	48,032	3,983	3,983	-92%	0%
Advance Appropriation from FY 2010	-	44,790	44,790	n/a	0%
Other Dept of Veterans Affairs	7,962	8,194	8,191	3%	0%
Ind. Agencies & Defense Civil Programs	281	283	287	2%	1%
Subtotal, Base	76,600	75,997	75,998	-1%	0%
Overseas Contingency Operations:					
Military Construction, Army	924	930	930	1%	0%
Military Construction, Air Force	475	281	281	-41%	0%
Military Construction, Defense-wide	-	47	47	n/a	0%
Other Overseas Contingency Operations	6	-	-	n/a	n/a
Subtotal, OCO	1,405	1,258	1,258	-10%	0%
Grand Total	78,005	77,255	77,256	-1%	0%