Legislative Bulletin......April 30, 2014

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 $H.R.\ 4486 - Military\ Construction\ and\ Veterans\ Affairs\ and\ Related\ Agencies\ Appropriations\ Act,\\ 2015\ (Culberson,\ R-TX)$

Updates on amendments will be sent as they become available.

H.R. 4486 — Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2015 (Culberson, R-TX)

By the Numbers:

In thousands of dollars

	FY14 House Level	FY14 Enacted	FY15 President Request	FY15 House Level
Net Total Discretionary	73,320,454	73,299,000	71,897,143	71,499,447

Net Total Discretionary Budget Authority is:

- \$1.8 billion below the level proposed by the Appropriations Committee for FY 2014.
- \$1.8 billion below the enacted FY 2014 level.
- \$398,000 below the President's budget request.

The bill provides a net total of \$71.5 billion in FY 2015 discretionary budget authority. \$55.6 billion in FY 2015 funds for veterans health benefits have already been appropriated in advance. This bill contains \$58.7 billion in advance appropriations for veterans health benefits for FY 2016. Further, the bill provides \$93.5 for mandatory veterans benefit programs, which does not count towards the discretionary spending caps.

The Committee Report can be found here, and the text of the legislation can be found here.

<u>Order of Business</u>: H.R. 4486 is expected to be considered on Wednesday, April 30, 2014, under an <u>open rule</u>, permitting all germane amendments to be offered. The rule provides for one hour of general debate. Members who have pre-printed their amendments in the Congressional Record will be given priority in recognition. The rule further provides for a structured rule on the FY 2015 Legislative Branch Appropriations bill. As a reminder, amendments must be offered at the appropriate time during the reading of the bill.

Bill Outline:

Title I: Military Construction:

Net Total Discretionary in Thousands

FY14	FY14	FY15	FY15	FY15 vs 14	FY15 vs 14	FY15 vs
House	Enacted	President	House	House	Enacted	President
Level		Request	Level			
9,954,887	9,808,000	6,557,447	6,557,447	-3,397,440	-3,250,553	0

The bill provides \$6.6 billion for military construction, a level equal to the President's budget request and \$3.3 billion below the FY14 enacted level. Regarding the decrease in construction funding, the Committee Report notes that "during hearings, the Department testified that while this budget reduction assumes some risk, the Services chose to take risk in the military construction program in order to reduce risk in readiness accounts." A table showing the breakdown of construction funding by Service Branch can be found here. A list of construction projects by state and country can be found here.

Title II: Department of Veterans Affairs:

Net Total Discretionary in Thousands

FY14 House Level	FY14 Enacted	FY15 President Request	FY15 House Level	FY15 vs 14 House	FY15 vs 14 Enacted	FY15 vs President
63,120,130	63,244,692	65,127,110	64,708,433	+1,588,303	+1,463,741	-418,677

The bill provides \$64.7 billion in net total discretionary funding for the Department of Veterans Affairs. This level is \$1.5 billion above the FY14 enacted level and \$419,000 below the President's budget request.

Advance Appropriations for Veterans Medical Benefits: The Fiscal Year 2014 Consolidated Appropriations Act provides \$55.6 billion in FY 2015 funds for veterans health benefits in advance appropriations. H.R. 4486 contains \$58.7 billion in advance appropriations for veterans health benefits for FY 2016, an amount equal to the President's budget request. The bill does not include \$368 million in additional FY 2015 funding requested by the President's budget. The Committee states that the VA has 4450 million in unobligated balances already expected to be available, so that this additional funding would not be necessary.

VA Claims Backlog: According to the <u>most recent report</u> from the VA, 596,061 veterans claims remain pending with the VA, including 319,363 have been pending for more than 125 days. To address this problem, the bill provides \$2.514 billion for General Operating Expenses for the Veterans Benefits Administration, an amount \$48.8 million above the FY 2014 enacted level and \$20 million above the President's budget request. These additional funds could be used for the records scanning system and staff overtime.

Additionally, the bill provides \$94.3 million for the Board of Veterans Appeals, an amount equal to the budget request and \$6 million above the FY14 enacted level to help reduce the claims appeal backlog.

Bonuses for VA Senior Executive Service Employees: While the Committee report expresses concerns about the performance of senior bureaucrats at the VA, the bill does not include language prohibiting bonuses for these employees. The Committee Report states ""recent actions taken by the VA have assuaged Member concerns... The Secretary has all the authority he needs to use bonuses to influence performance."

Electronic Health Records: The bill provides \$343.6 million for electronic health records, an amount that is \$17.2 Million above the FY14 enacted level. Within this amount, \$269.4 million for the VistA Evolution modernized health record system and \$74.2 million is provided for electronic health record interoperability and Virtual Lifetime Electronic Record (VLER) health. The bill withholds 75 percent of the appropriated funds for VistA Evolution until the VA provides information to Congress regarding the development of the program in light of the decision by the VA and Department of Defense to not pursue a single integrated health record system.

VA Construction: The bill provides \$561.8 million for major VA construction projects, an amount equal to the President's budget request and \$219.7 million above the enacted level. A table of specific projects funded by the bill can be found here. Additionally, the bill provides \$495.2 million for minor VA construction projects, equal to the budget request and \$219.7 million below the FY14 enacted level.

Title III: Related Agencies:

Net Total Discretionary in Thousands

FY14	FY14	FY15	FY15	FY15 vs 14	FY15 vs 14	FY15 vs
House	Enacted	President	House	House	Enacted	President
Level		Request	Level			
245,437						20,981

The bill provides a total of \$233.6 million for the other related agencies funded by the bill, including the American Battle Monuments Commission, the U.S. Court of Appeals for Veterans Claims, Army Commentarial Expenses, and the Armed Forces Retirement Home.

Other Provisions of Note:

Guantanamo Bay Detainees: The bill includes language prohibiting the use of funds for the renovation, expansion, or construction of any facility in the continental United States for the purpose of housing any individual who has been detained at Guantanamo Bay.

E-Verify: The legislation prohibits funding for contracts where the contractor has not complied with federal contractor E-Verify requirements.

Convicted Criminals: The legislation prevents funding for any contract to any corporation that has been convicted of a federal felony within the last two years.

Unpaid Taxes: The legislation prevents funding to any corporation that has any unpaid, assessed federal tax liability.

First Class Travel: The legislation prohibits funding for first class travel of federal agency employees.

American Steel: The legislation prohibits funding for the procurement of steel unless American producers, fabricators, and manufacturers have been permitted to compete for such steel procurement.

<u>Unauthorized Appropriations:</u> The <u>bill</u> includes \$8.847 billion in appropriations for 24 programs that have not been authorized.

<u>Committee Action</u>: The Appropriations Committee marked up H.R. 4486 on <u>April 9, 2014</u>, and approved the legislation by voice vote. The Committee also held several oversight hearings.

Administration Position: The SAP criticizes the spending level the President signed into law in December as being too low. The SAP further states that the Administration is "disappointed" with the funding level for the Department of Veterans Affairs, "appreciates" funding for electronic health records, "appreciates" funding for military construction, "strongly objects" to the elimination of funding for the Joint Intelligence Analysis Complex (JIAC) Consolidations Project, and "strongly opposes" the rider which prohibits funds to construct a facility in the United States to house detainees currently held in Guantanamo Bay.

<u>Does the Bill Contain Any Earmarks/Limited Tax Benefits/Limited Tariff Benefits?</u>: According to the <u>Committee Report</u>, "neither the bill nor the report contains any Congressional earmarks, limited tax benefits, or limited tariff benefits."

Constitutional Authority: "Congress has the power to enact this legislation pursuant to the following: The principal constitutional authority for this legislation is clause 7 of section 9 of article I of the Constitution of the United States (the appropriation power), which states: "No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law . . ." In addition, clause 1 of section 8 of article I of the Constitution (the spending power) provides: "The Congress shall have the Power . . . to pay the Debts and provide for the common Defence and general Welfare of the United States" Together, these specific constitutional provisions establish the congressional power of the purse, granting Congress the authority to appropriate funds, to determine their purpose, amount, and period of availability, and to set forth terms and conditions governing their use."

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