



H.R. 4974: Fiscal Year 2017 Military Construction and Veterans Affairs Appropriations (Rep. Dent, R-PA)

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FLOOR SCHEDULE:

MilCon-VA: H.R. 4974, the Fiscal Year 2017 Military Construction and Veterans Affairs Appropriations bill, is expected to be considered on May 18, 2016, under an [modified open rule](#), 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. As a reminder, amendments must be offered at the appropriate time during the reading of the bill. Pro-forma amendments to “strike the last word” are prohibited, except for 10 each for the Chair and Ranking Member of the Committee on Appropriations.

Zika: H.R. 5243, the Zika Response Appropriations Act, is expected to be considered on May 18, 2016, under a [closed rule](#).

Budget Enforcement: Because the House and Senate have not passed a budget resolution this year, certain tools under the Budget Act that would otherwise be used to prevent overspending are currently not in force.

In previous instances when this has happened, the House has often included a “deeming” provision that adopts the House-passed budget as the concurrent resolution on the budget for the upcoming fiscal year in the rule for the first appropriations bill.

However, the House has not considered a budget resolution for FY 2017, and many members have strong concerns about the budget that was reported out of the Budget Committee earlier this year. In order to prevent abuses during consideration of the bill, the rule provides for three budget enforcement provisions:

1. Establishment of a spending reduction account, which locks out any savings achieved during amendment consideration that would otherwise be available for transfer to other accounts later in the bill;
2. Deems in force section 310 of the Budget Committee reported budget (H. Con. Res. 125), which enforces a limitation on the amount of advanced appropriations; and,
3. Prohibits the transfer of funds between Overseas Contingency Operations accounts and other accounts. OCO fund are exempt from the statutory spending caps established under the Budget Control Act, as amended by the bipartisan Budget Act of 2015, and transfers to non-cap-exempt accounts would be inappropriate.

Amendments will be summarized in additional Legislative Bulletins as they become available.

TOPLINE SUMMARY:

H.R. 4974 would provide appropriations for the construction and building maintenance activities of the Department of Defense (DOD) as well as funding for the Department of Veterans Affairs (VA).

The committee report can be found [here](#), and the text of the legislation can be found [here](#).

COST:

The bill provides a net total of \$81.643 billion in Fiscal Year 2017 base discretionary budget authority that is subject to the Budget Control Act (BCA) discretionary spending caps (as increased by the Bipartisan Budget Act of 2015 (BBA15)). The bill is written at a level that would comply with the higher \$1.070 trillion in discretionary spending allowed by BBA15.

In thousands of Dollars

	FY16 House Level	FY16 Enacted	FY17 President Request	FY17 House Level
Net Total Base Discretionary	76,589,000	79,869,000	82,870,405	81,643,000

Net Total Base Discretionary Budget Authority is:

- \$1.227 billion below the President's budget request.
- \$1.774 billion above the enacted FY 2016 level.
- \$5.054 billion above the level proposed by the Appropriations Committee for FY 2016.

\$63.271 billion in FY 2017 funds for veterans' health benefits have been appropriated in advance by previously enacted legislation. This bill contains \$66.385 billion in advance appropriations for veterans' health benefits for FY 2018.

The bill also includes \$172 million in Global War on Terror (GWOT)/Overseas Contingency Operations (OCO) funding that is exempt from the discretionary spending caps.

Further, the bill provides a total of \$102.532 billion for mandatory veterans' benefit programs in FY 2017, which does not count towards the discretionary spending caps.

CONSERVATIVE CONCERNS:

Some conservatives may be concerned this appropriations bill is [written to the \\$1.070 trillion level](#), which is the maximum amount permitted under the [Bipartisan Budget Act of 2015](#). This spending ceiling was opposed by [167 House Republicans](#) when it was enacted last fall. The \$1.070 trillion level for Fiscal Year 2017 base discretionary spending is \$30 billion more than the maximum amount that would have been permitted under the Budget Control Act of 2011.

Some conservatives may be concerned that this appropriations bill is being considered by the House

despite the fact that House has yet to consider a budget resolution.

- **Expand the Size and Scope of the Federal Government?** Yes.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No, according to the [Committee Report](#).

DETAILED SUMMARY AND ANALYSIS:

Title I: Military Construction:

Net Total Discretionary in Thousands of Dollars

FY16 House Level	FY16 Enacted	FY17 President Request	FY17 House Level	FY17 vs 16 House	FY17 vs 16 Enacted	FY17 vs President
7,151,000	8,171,000	7,444,056	7,694,000	+ 543,000	- 477,000	+ 249,944

The bill provides \$7.694 billion for military construction, a level \$250 million above the president’s budget request and \$477 million below the FY 2016 enacted level. This account provides for a variety of both domestic and foreign construction projects, including family housing. 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](#).

American Steel: The bill includes a rider that prohibits the procurement of steel unless American producers have been allowed to compete.

Army Unit Relocations: The bill includes a rider that prohibits the relocation of an Army unit that would impact more than 200 personnel and preforms a testing mission or function that is not performed by any other unit of the Army.

Unfunded Priority Projects Funding: The bill provides \$40.5 million for the Army’s Unfunded Priority List for Fiscal Year 2017, \$293.6 million for the Navy’s Unfunded Priority List for Fiscal Year 2017, \$67.5 million for National Guard projects on the Army’s Unfunded Priority List, \$86.5 million for Army Reserve projects on the Army’s Unfunded Priority List, and \$26 million for Air Force’s Unfunded Priority List for Fiscal Year 2017. The Unfunded Priority Lists include projects not prioritized in the president’s budget request, but are seen as a “wish list” of other projects the branches would like to see funded if possible.

Title II: Department of Veterans Affairs:

Net Total Discretionary in Thousands of Dollars

FY16 House Level	FY16 Enacted	FY17 President Request	FY17 House Level	FY17 vs 16 House	FY17 vs 16 Enacted	FY17 vs President
68,661,659	71,414,943	75,012,755	73,535,855	+4,874,196	+2,120,912	-1,476,900

The bill provides \$73.536 billion in net total discretionary funding for the Department of Veterans Affairs. This level is \$2.121 billion above the FY 2016 enacted level and \$1.477 billion below the president’s budget request.

Advance Appropriations for Veterans Health Administration: The [Fiscal Year 2016 Consolidated Appropriations Act](#) provided \$63.271 billion in advance appropriations FY 2017 funds for veterans' health benefits. The bill also includes \$850 million in additional FY 2017 funding for medical services. This is \$229 million less than the president's budget request.

The bill contains \$66.385 billion in advance appropriations for veterans' health benefits for FY 2018, an amount equal to the president's budget request.

Mental Health: The bill provides \$7.8 billion for VA mental health programs, an amount equal to the president's budget request.

Medical and Prosthetic Research: The bill includes \$633 million for medical and prosthetic research, a level that is \$33 million above the FY 2016 enacted level and equal to the president's budget request.

VA Claims Backlog: According to the [most recent report](#) from the VA, 351,676 veterans' claims remain pending with the VA, including 74,589 that have been pending for more than 125 days. To address this problem, the bill provides \$2.826 billion for General Operating Expenses for the Veterans Benefits Administration, an amount \$118 million above the FY 2016 enacted level and equal to the president's budget request.

The bill provides \$156 million for the Board of Veterans Appeals, an amount equal to the budget request and \$46 million above the FY 2016 enacted level to help reduce the claims appeal backlog. This funding increase would increase staffing by 242 full-time equivalent employees.

IT Systems: The bill includes \$4.221 billion for the VA information technology systems. This is \$88 million above the FY 2016 enacted level and \$57 million below the president's budget request.

Electronic Health Records: The bill provides \$168 million for the VistA Evolution modernized health record system and \$92 million for electronic health record interoperability and Virtual Lifetime Electronic Record (VLER) health.

The bill withholds 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 Office of Inspector General: The bill provides \$160 million for the VA Office of Inspector General, \$23 million above the enacted FY 2016 level and equal to the president's budget request.

VA Construction: The bill provides \$528.1 million for major VA construction projects, an amount equal to the president's budget request and \$716 million below the FY 2016 enacted level. The major projects funded by the bill can be found [here](#).

Additionally, the bill provides \$372 million for minor VA construction projects, equal to the president's budget request and \$34 million below the FY 2016 enacted level.

Bonuses for VA Employees: The bill includes a provision to prohibit the use of funds to pay performance bonuses to senior VA employees. This language mirrors an amendment offered in previous years by Representative Rothfus.

Title III: Related Agencies:

Net Total Discretionary in Thousands of Dollars

FY16 House Level	FY16 Enacted	FY17 President Request	FY17 House Level		FY17 vs 16 House	FY17 vs 16 Enacted	FY17 vs President
244,341	283,057	241,145	241,145		-3,196	-41,912	0

H.R. 2029 provides a total of \$241 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.

Title IV: Global War on Terror (GWOT)/Overseas Contingency Operations (OCO):

Net Total Discretionary in Thousands of Dollars

FY16 House Level	FY16 Enacted	FY17 President Request	FY17 House Level		FY17 vs 16 House	FY17 vs 16 Enacted	FY17 vs President
532,000	0	172,449	172,000		-360,000	172,000	-449

The bill provides a total of \$172 million for military construction projects funded using GWOT. This level is \$449,000 below the president’s budget request and \$172 million above the enacted FY 2016 level. GWOT spending is exempted from the annual spending caps established by the Budget Control Act. A list of construction projects funded by Title IV can be found [here](#).

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

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

Zika Response: The bill includes an amendment adopted during committee markup that would clarify that unobligated funds originally made available by the [FY 2015 Omnibus](#) for responding to Ebola are also available to respond to the Zika virus. The Ebola funds were originally designated as an emergency, and the provision continues that designation. Additional Zika-related appropriations measures are expected to be considered in separate legislation during the week of May 16.

Unauthorized Appropriations: The bill includes \$9.079 billion in appropriations for 23 programs that have not been authorized.

However, the funds are for defense programs that would be authorized by the Fiscal Year 2017 National Defense Authorization Act (NDAA).

OUTSIDE GROUPS:

- **Heritage Foundation:** [Congress Should Exercise Restraint in Veterans Affairs Funding Bill](#)

COMMITTEE ACTION:

The Appropriations Committee marked up H.R. 4974 on [April 13, 2016](#), and reported the bill by a voice vote. The Committee also held a [number of oversight hearings](#) on the agencies funded by the bill.

ADMINISTRATION POSITION:

According to the [Statement of Administration Policy](#), “the Administration strongly objects to the inclusion of problematic ideological provisions that are beyond the scope of funding legislation. If the final bill that is presented to the President includes such provisions, the President's senior advisors would recommend that he veto the bill.”

CONSTITUTIONAL AUTHORITY:

“Congress has the power to enact this legislation pursuant to the following: Pursuant to clause 7(c) of rule XII of the Rules of the House of Representatives, the following statement is submitted regarding the specific powers granted to Congress in the Constitution to enact the accompanying bill or joint resolution.

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.”

NOTE: *RSC Legislative Bulletins are for informational purposes only and should not be taken as statements of support or opposition from the Republican Study Committee.*

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