



U.S. Senate Committee on Appropriations

PRESS RELEASE

Summary: Military Construction and Veterans Affairs and Related Agencies *FY 2011 Continuing Resolution*

FY 10 Enacted: \$76.6 billion
Agreement: \$73.3 billion
CR vs. Enacted: (-\$3.3 billion)

The Continuing Resolution totals \$73.3 billion in discretionary budget authority for Military Construction, Veterans Affairs and Related Agencies for fiscal year 2011, \$3.3 billion below FY10 enacted. The agreement provides \$56.5 billion in discretionary funding for the Department of Veterans Affairs, which is \$3.4 billion above FY 10. The CR also includes an additional \$1.2 billion for overseas contingency operations, primarily in Afghanistan, as requested by the President.

Title I – Military Construction and Family Housing

The bill provides \$16.6 billion for military construction and family housing, including rescissions, \$6.6 billion below FY10 enacted, reflecting the completion of military construction associated with the BRAC 2005 program. The appropriation funds military construction projects authorized in the FY 2011 National Defense Authorization Act (NDAA), with the exception of reductions to the authorized level to reflect incremental funding for certain large projects and deferral of funding for certain at-risk projects associated with execution concerns, global basing issues, or geopolitical concerns. For example, the CR defers funding for two new start projects in Bahrain due to the ongoing political instability in that country and in the region. The CR funds military construction in Guam at the authorized level, which is \$390 million below the FY11 request, as a result of bid savings, execution delays, and unresolved land use issues associated with the Marine Corps buildup in Guam.

Highlights

Active and reserve component military construction: \$10.5 billion to fund military construction projects worldwide, including operational, training, and research facilities, readiness centers, barracks, schools, hospitals, and clinics. The funding level for the active components is \$660 million below FY10 enacted. Funding for the Guard and reserve components totals \$1.5 billion, \$126.8 million below FY10 enacted.

Family Housing: \$1.8 billion as requested for family housing construction, privatization, and operating costs, \$436 million below FY10 enacted, reflecting the near completion of the military’s housing privatization initiative.

Base Realignment and Closure (BRAC): \$2.35 billion for BRAC 2005 as requested and \$360 million for BRAC 1990, equal to the request. The BRAC 2005 request is \$5.1 billion below the FY10 enacted level, reflecting the scheduled completion of the BRAC 2005 construction program in 2011.

NATO Security Investment Program (NSIP): \$258.9 million as requested to fund the U.S. share of joint U.S.-NATO military facilities.

Energy Conservation Investment Program (ECIP): \$120 million, equal to the request, to continue the Defense Department’s efforts to improve energy efficiency and reduce greenhouse gas production on military installations.

Rescissions: The bill includes \$826.6 million in military construction rescissions as a result of bid savings and \$232 million in BRAC 2005 bid savings.

Title II - Department of Veterans Affairs

	FY 10 Enacted	FY 11 Agreement	11 Agreement Vs. 10 Enacted
Discretionary	\$53,039,310,000	\$56,449,013,000	+\$3,409,703,000
Mandatory ¹	\$56,568,316,000	\$64,305,912,000	+\$7,737,596,000

¹*Note: The FY 10 figure does not include \$13.4 billion in Supplemental emergency appropriations provided in P.L. 111-212*

The Subcommittee’s main priority was to ensure that the VA had sufficient resources so as to not adversely impact services provided to veterans. The agreement provides \$56.5 billion in discretionary funding for the Department of Veterans Affairs. This is \$3.4 billion (6.4%) above the FY 10 enacted level. For Medical Care, the agreement includes \$48.1 billion, a \$3.6 billion (8.2%) increase above the FY 10 enacted level. Additionally, the agreement includes \$50.6 billion in FY 12 advance appropriations for the VA Medical Care accounts.

Highlights

Veterans Benefits Administration (VBA), General Operating Expenses

The agreement provides an additional \$448 million for VBA’s General Operating Expenses over the FY 10 enacted level. The additional funding is specifically for the VBA’s hiring and modernization initiatives to reduce the disability claims backlog and to reduce the number of days a veteran must wait to have their claim adjudicated. The agreement level is \$12 million below the FY 11 request to reflect the Department’s cancellation of the “Printer on Every Desk” initiative.

Medical Care

The agreement provides \$48.1 billion for veterans medical care and provides \$50.6 billion in FY 12 advance appropriations for the three medical care accounts. The agreement rescinds and re-appropriates a total of \$1.2 billion as requested by the Administration. This will allow the VA to carry funding forward from FY 11 into FY12 for medical care.

Homeless Veterans: \$4.3 billion is provided for treatment and programs assisting homeless veterans, as requested. This includes \$799 million in direct programs to combat homelessness among veterans. In addition, the agreement includes \$151 million for the HUD-VASH program, a joint effort between the VA and the Department of Housing and Urban Development aimed at moving veterans and their families out of homelessness and into permanent housing. HUD-VASH is the nation's largest supported permanent housing initiative that targets homeless veterans.

Mental Health: \$5.7 billion for mental health programs and treatment. This includes \$430 million for treatment of post traumatic stress disorder, \$604 million for substance abuse treatment and \$69 million for suicide prevention.

Operation Enduring Freedom/Iraqi Freedom/New Dawn (OEF/OIF/OND) Veterans: \$2.4 billion as requested for treatment of OEF/OIF/OND veterans. The VA's revised estimates for FY 11 indicate that over 476,000 OEF/OIF/OND veterans will receive health care in the VA system.

Rural Health: \$250 million, as requested, to continue to expand VA's health care services in rural areas. Approximately 43 percent of veteran enrollees (3.2 million) live in rural and highly rural areas. The rural health initiative is aimed at closing the gap in health care for veterans who do not have ready access to the major medical facilities and other services available in urban areas.

Construction: The bill provides \$1.6 billion, as requested, for the VA's construction programs. This includes \$1.2 billion for major construction and \$468 million for minor construction.

Information Technology: The bill includes \$3.2 billion for VA information technology systems. This is \$160 million below the budget request. In order to become more accountable and reduce the risk of large scale development failures, the VA has undergone an overhaul of its development program and has instituted an entirely new approach to development. This overhaul and its implementation across the Department has led to a slowing down, and in some instances outright cancellation, of many IT development projects. As a result, in FY 10, the Department's obligation rate slowed tremendously, resulting in carryover of \$675 million in unobligated funds.

Title III: Related Agencies

The agreement provides \$228.3 million for the Related Agencies, \$55 million below FY10 enacted. This includes:

American Battle Monuments Commission: \$84.4 million, as requested to support WWI and WWII veteran cemeteries overseas.

U.S. Court of Appeals for Veterans Claims: \$27.6 million for the Court operations, \$500,000 above FY10 enacted. This is \$62.5 million below the FY 11 request, which included a proposal to construct a \$62 million courthouse. Recent costs estimates have indicated the projected cost is more than double the original estimate.

Arlington National Cemetery: \$45.1 million, \$5.3 million above FY10 enacted. The increase for this agency is a direct result of the Manpower Review conducted by the US Army in response to an Inspector General report outlining severe mismanagement and a manpower gap which hinders operational capabilities. In addition, the Inspector General's report found substantiated findings regarding unmarked gravesites, improper handling of cremated remains, improperly marked gravesites, and discrepancies between burial maps and ANC gravesites. A portion of the additional funding will be used for a full accounting of all gravesites at Arlington National Cemetery.

Armed Forces Retirement Home (AFRH): \$71.2 million, as requested.

Title IV: Overseas Contingency Operations

The bill provides \$1.22 billion for military construction projects in support of overseas contingency operations, primarily in Afghanistan.

###