



COMMITTEE *on* APPROPRIATIONS

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For Immediate Release: May 20, 2014

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SUMMARY

MILITARY CONSTRUCTION AND VETERANS AFFAIRS, AND RELATED AGENCIES FISCAL YEAR 2015 APPROPRIATIONS BILL

Subcommittee Mark: May 20, 2014

The subcommittee bill provides total funding of \$165.4 billion for Military Construction, Veterans Affairs and Related Agencies for fiscal year 2015. (This figure includes \$55.6 billion in previously appropriated advances for veterans medical care.) The bill provides \$71.9 billion in discretionary funding and \$93.5 billion in mandatory funding. The bill also includes \$58.7 billion in fiscal year 2016 advance appropriations for veterans medical services.

Discretionary funding is \$1.4 billion below the fiscal year 2014 enacted level for discretionary funding due to a steep decrease in the fiscal year 2015 budget request for military construction.

Senator Tim Johnson, Chairman of the Military Construction, Veterans Affairs, and Related Agencies Subcommittee, said:

“Moving this bill to the head of the line sends a strong signal to our Nation’s veterans, and to our military troops and their families, that their health and well-being is a top priority of this Committee. At a time when the VA is being rocked by turmoil over allegations of secret wait lists at hospitals, on top of ongoing challenges to eliminate the claims processing backlog, Congress must move quickly to provide the leadership, resources, oversight and accountability needed to assure that veterans are receiving the timely and quality health care and benefits they deserve. This bill addresses those and other urgent requirements through targeted funding increases, reforms, and oversight measures.

“I remain committed to ensuring that no veteran is denied the care and benefits to which he or she is entitled. Let me be clear, the Committee has zero tolerance for any attempt to delay or deny care to veterans by concealing scheduling delays. Doctoring the books to make a hospital look good cannot and will not be allowed to take precedence over doctoring the patients. Given the growing concern that these practices may not be isolated incidents, the bill provides additional funding and direction for the VA Inspector General to conduct a nationwide investigation of VA scheduling practices and freezes performance bonuses for senior Veterans

Health Administration employees until the investigation is complete and reforms have been implemented.”

Bill Summary

The Military Construction, Veterans Affairs (VA) and Related Agencies Appropriations Bill provides funding for the construction of mission critical and quality of life facilities for U.S. military personnel and their families serving around the world, including schools, hospitals, child care centers and family housing. The bill also provides funding for veterans medical care and benefits, and for VA facilities throughout the country. The Related Agencies funded in the bill include Arlington National Cemetery, the American Battle Monuments Commission, the U.S. Court of Appeals for Veterans Claims, and the Armed Forces Retirement Homes.

Major Initiatives

VA Patient Scheduling

In response to allegations of misconduct at certain VA medical centers in an effort to conceal patient scheduling delays by keeping secret wait lists, and the recognition that such practices may not be isolated incidents, the bill provides an additional \$5 million above the budget request for the Office of Inspector General to conduct a nationwide investigation throughout all Veterans Integrated Service Networks of scheduling practices and procedures. The bill also prohibits the payment of performance bonuses to Veterans Health Administration medical directors, assistant medical directors and Senior Executive System employees until the investigation is completed and reforms have been instituted.

VA Claims Processing

Building on the 10-point claims processing initiative included in the FY 2014 Military Construction and Veterans Affairs Appropriations Act, this bill includes additional funding and oversight provisions to continue the VA's claims processing surge effort until the current backlog is eliminated, and puts into place a plan to introduce reforms in workplace management to ensure the long term stability, accuracy, and timely disposition of veterans disability claims.

Military Construction Quality of Life and Unfunded Requirements Initiatives

The bill provides additional funding for military construction quality of life and unfunded requirements initiatives to offset steep reductions in the fiscal year 2015 budget request. The fiscal year 2015 request is 40 percent below the fiscal year 2014 request, and is targeted almost exclusively toward readiness and life, safety, and health related military construction. The Subcommittee recognizes the importance of funding these priorities, but notes that military construction is often the go-to bill payer when Defense budgets are constrained. As a result, many meritorious projects are deferred, sometimes indefinitely. Quality of life projects, such as troop housing, child care centers, and troop and family physical fitness centers are often the first to be deferred. As demonstrated by the scandals over the deplorable conditions at the Fort Bragg, North Carolina, and Walter Reed Army Medical Center troop housing facilities several years ago, the consequences of deferring quality of life projects can be disastrous. Therefore, the bill includes additional funding to address priority quality of life requirements as well as other unfunded military construction priorities. Funding for these initiatives is derived from

incremental funding of current projects, prior year bid savings, cancellation of prior year projects, and prior year projects that cannot or will not be executed. No funding was diverted from fiscal year 2015 readiness or life, safety, and health projects to fund these initiatives.

Title I – Military Construction and Family Housing

The bill provides \$6.559 billion for military construction and family housing, \$3.25 billion below the fiscal year 2014 enacted level.

Highlights

Active component military construction: \$4.3 billion to fund military construction projects worldwide, including operational, training, and research facilities, barracks, schools, hospitals, and clinics. The recommendation is \$2.9 billion below the fiscal year 2014 enacted level.

Reserve component military construction: \$426.5 million for readiness centers, training facilities, and related military construction necessary for the training and administration of the Guard and reserve components. This is \$239 million below fiscal year 2014 enacted.

Family Housing: \$1.19 billion for family housing construction and privatization projects, \$325 million below fiscal year 2014 enacted.

Base Realignment and Closure (BRAC): \$380 million for the Department of Defense Base Closure Fund. Funding is \$110 million above the request to expedite environmental remediation at former BRAC locations.

Military Quality of Life Initiative: \$315 million to fund Navy, Air Force, and Air Force Reserve quality-of-life projects included in the FY2015 Opportunity, Growth, and Security Initiative. The bill provides an additional \$60 million for Army quality-of-life projects, and \$90 million for unfunded requirements of the Army National Guard and Reserve.

NATO Security Investment Program (NSIP): \$199.7 million as requested to fund the U.S. share of joint U.S.-NATO military facilities, equal to fiscal year 2014 enacted.

Chemical Demilitarization Construction: \$38.7 million as requested, \$83.8 million below fiscal year 2014 enacted.

Energy Conservation Investment Program (ECIP): \$150 million as requested for projects to improve energy efficiency and reduce greenhouse gas production on military installations.

Title II -- Department of Veterans Affairs

The bill provides \$158.6 billion for the Department of Veterans Affairs (VA) for fiscal year 2015. The total includes \$93.5 billion for mandatory programs, equal to the request and \$8.8 billion

above fiscal year 2014 enacted. For VA discretionary funding, the bill provides \$65.1 billion (this figure includes \$55.6 billion in previously appropriated advances for veterans medical care), \$26.8 million below the request and \$1.85 billion above fiscal year 2014 enacted. The bill also includes \$58.7 billion in advance appropriations for Fiscal Year 2016 VA medical care.

Highlights

Rural Health: Building on the Rural Health Initiative launched by the Committee in fiscal year 2009 to close gaps in VA service in rural and remote areas, the bill provides \$250 million as requested for medical care, including telehealth and mobile clinics, for veterans in rural and highly rural areas, including Native American populations.

Homeless Veterans Programs: \$7.42 billion for health care and support services for homeless veterans. This includes \$1.64 billion in direct programs to assist homeless veterans, including \$374 million for the HUD-VASH program and \$253 million for the Homeless Grant Per Diem Program.

Iraq and Afghanistan Veterans: \$4.2 billion, as requested, to meet the health care needs of veterans who have served in Iraq and Afghanistan, a \$500 million increase over the current estimate for fiscal year 2014. The VA estimates that the number of OEF/OIF veterans in its health care system will reach 757,674 in 2015. This funding includes medical treatment associated with combat-related injuries, including Traumatic Brain Injury (TBI) and Post-Traumatic Stress Disorder (PTSD).

Women Veterans Programs: The recommendation includes \$4.9 billion to provide healthcare for women veterans, including \$403 million in gender specific health care to meet the unique needs of female veterans.

Medical and Prosthetic Research: \$589 million, equal to the budget request, for research in a number of areas, including mental health, TBI, spinal cord injury, burn injury, polytrauma injuries, and sensory loss.

Long Term Care: \$7.04 billion for long term care for the Nation's aging veterans as well as severely wounded combat veterans from the wars in Iraq and Afghanistan. The funding includes both institutional and home based care programs. The bill provides \$100 million for grants for the construction of State extended care facilities, \$20 million over the request.

Information Technology (IT): \$3.9 billion to support the VA's IT needs, this is \$10 million over the request. Funding includes \$326.4 million for modernization of the VA's electronic health record and development of interoperability between the VA and DOD; and \$137 million for the Veterans Benefits Management System (VBMS) paperless claims systems. To continue to modernize the VA IT infrastructure, the bill includes an additional \$10 million for hardware upgrades at local VBA Regional Offices

Office of Inspector General (IG): The bill includes \$126.4 million for the IG's office. This is \$5 million over the President's request and \$5 million over the fiscal year 2014 enacted level.

The recommendation includes the additional resources for the IG to conduct an investigation throughout the entire Veterans Integrated Service Networks (VISN) of scheduling practices and procedures.

Board of Veterans Appeals: The recommendation includes \$99.3 million for the Board of Veterans Appeals, an increase of \$5 million over the budget request and \$11 million over FY 2014. The VA projects that appeals received by the Board of Veterans Appeals will increase by 52%, from 47,763 in FY 2011 to 72,786 by the end of FY 2015.

Title III – Related Agencies

American Battle Monuments Commission (ABMC): \$75.2 million, \$3.2 million over the request, to support the operations and activities of the ABMC. The additional funding is to address urgent maintenance and repair requirements at America’s World War I and World War II cemeteries overseas, and for an ongoing assessment of Clark Veterans Cemetery.

U.S. Court of Appeals for Veterans Claims: \$34.4 million, \$1 million below fiscal year 2014 enacted and \$3 million above the budget request.

Arlington National Cemetery (ANC): \$65.8 million for operations, \$20 million above the request and equal to the fiscal year 2014 enacted level. The Subcommittee included the additional \$20 million for operational, maintenance and repair projects at ANC that the Administration has proposed to fund through the Army Operation and Maintenance account.

Armed Forces Retirement Home: \$63.4 million for operations, maintenance and the capital program. This is equal to the budget request.

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