

CRS Report for Congress

Military Construction, Military Quality of Life and Veterans Affairs: FY2007 Appropriations

Updated March 6, 2007

Daniel H. Else
Specialist in National Defense
Foreign Affairs, Defense, and Trade Division

Christine Scott
Specialist in Tax Economics
Domestic Social Policy Division

Sidath Viranga Panangala
Analyst in Social Legislation
Domestic Social Policy Division



**Prepared for Members and
Committees of Congress**

Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE 06 MAR 2007		2. REPORT TYPE		3. DATES COVERED 00-00-2007 to 00-00-2007	
4. TITLE AND SUBTITLE Military Construction, Military Quality of Life and Veterans Affairs: FY2007 Appropriations				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Congressional Research Service ,The Library of Congress,101 Independence Ave SE,Washington,DC,20540-7500				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT Same as Report (SAR)	18. NUMBER OF PAGES 36	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

The annual consideration of appropriations bills (regular, continuing, and supplemental) by Congress is part of a complex set of budget processes that also encompasses the consideration of budget resolutions, revenue and debt-limit legislation, other spending measures, and reconciliation bills. In addition, the operation of programs and the spending of appropriated funds are subject to constraints established in authorizing statutes. Congressional action on the budget for a fiscal year usually begins following the submission of the President's budget at the beginning of each annual session of Congress. Congressional practices governing the consideration of appropriations and other budgetary measures are rooted in the Constitution, the standing rules of the House and Senate, and statutes, such as the Congressional Budget and Impoundment Control Act of 1974.

This report is a guide to one of the regular appropriations bills that Congress considers each year. It is designed to supplement the information provided by the House Military Quality of Life and Veterans Affairs and Senate Military Construction and Veterans Affairs Appropriations Subcommittees. It summarizes the status of the bill, its scope, major issues, funding levels, and related congressional activity, and is updated as events warrant. The report lists the key CRS staff relevant to the issues covered and related CRS products.

NOTE: A Web version of this document with active links is available to congressional staff at [http://beta.crs.gov/cli/cli.aspx?PRDS_CLI_ITEM_ID=2349].

Military Construction, Military Quality of Life and Veterans Affairs: FY2007 Appropriations

Summary

The structure of the Committees on Appropriations were changed at the beginning of the 109th Congress, altering jurisdictions over the appropriations covered in this report, including military construction, military housing allowances, military installation maintenance and operation, the Department of Veterans Affairs, and other veteran-related agencies, rested in the House Committee on Appropriations with the new Subcommittee on Military Quality of Life and Veterans Affairs. In the Senate Committee on Appropriations, jurisdiction for military construction, the Department of Veterans Affairs, and other veteran-related agencies were vested in the Subcommittee on Military Construction and Veterans Affairs, while military housing allowances and military installation maintenance and operation are the responsibility of the Subcommittee on Defense. At the opening of the 110th Congress, the House subcommittee structure was again adjusted, returning some non-construction defense activities to the Subcommittee on Defense. Authorization jurisdictions lie with the two Committees on the Armed Services and Committees on Veterans Affairs.

Key issues in congressional action to date include:

- **Military Construction:** The changing structure of the Army, the redeployment of troops from overseas garrisons to domestic bases, and implementation of the current BRAC round have drawn committee attention during the appropriation process. To fund the activities included in the military construction and family housing portion of this bill, the President requested \$16.7 billion, the House appropriated \$15.9 billion, and the Senate Committee on Appropriations recommended \$16.3 billion.
- **Veteran Benefits:** Entitlement spending is rising as the number of beneficiaries is increasing, education benefits are being augmented, and annual cost of living adjustments are being granted. Benefits such as disability compensation, pensions, and education are mandatory payments and constitute more than half (\$37.2 and \$41.4 billion, respectively) of the VA appropriation of approximately \$71 billion for FY2006 and almost \$78 billion proposed for FY2007.
- **Veteran Medical Care:** The Administration has again requested legislative changes to increase certain co-payments and other cost sharing fees for veterans in lower priority categories. The House passed version of H.R. 5385 provides \$32.7 billion for the Veterans Health Administration (VHA) for FY2007, about the same amount as the President's request. On July 20, 2006, the Senate Committee on Appropriations reported out of committee its version of H.R. 5385. H.R. 5385, as amended, provides \$32.7 billion for VHA for FY2007, almost equivalent to the House-passed amount and the President's request. The House-passed bill and the Senate Appropriations Committee-reported bill do not include any provisions that would give VA the authority to implement fee increases.

**Key Policy Staff for Military Construction, Military Quality of Life,
and Veterans Affairs Appropriations**

Area of Expertise	Name	Telephone	E-Mail
Acquisition	Stephen H. Chadwick	7-8983	schadwick@crs.loc.gov
Base Closure	Daniel H. Else David E. Lockwood	7-4996 7-7621	delse@crs.loc.gov dlockwood@crs.loc.gov
Defense Budget	Stephen Daggett Amy Belasco	7-7642 7-7627	sdaggett@crs.loc.gov abelasco@crs.loc.gov
Health Care; Military	Richard A. Best, Jr.	7-7607	rbest@crs.loc.gov
Military Construction	Daniel H. Else	7-4996	delse@crs.loc.gov
Military Personnel	Charles A. Henning David F. Burrelli	7-8866 7-8033	chenning@crs.loc.gov dburrelli@crs.loc.gov
Military Personnel; Reserves	Charles A. Henning	7-8866	chenning@crs.loc.gov
Related Agencies	Daniel H. Else	7-4966	delse@crs.loc.gov
Veterans Affairs	Christine Scott	7-7366	cscott@crs.loc.gov
Veterans Affairs; Healthcare	Sidath Viranga Panangala	7-0623	spanangala@crs.loc.gov

Contents

Most Recent Developments	1
Military Construction, Military Quality of Life and Veterans Affairs Appropriations (H.R. 5385)	1
Defense Authorization (H.R. 5122, S. 2766)	1
Defense Appropriation (H.R. 5631)	2
Continuing Resolutions	2
FY 2007 Emergency Supplemental Request for the Global War on Terror	3
Status of Legislation	4
Summary and Key Issues	5
Appropriations Subcommittee Jurisdiction Realignment, 109 th Congress ..	5
House	5
Senate	5
Subsequent Agreement	5
Title I: Department of Defense	6
Defense Health Program (DHP)	6
Military Construction	7
Military Base Realignments and Closures	7
Recapitalization	9
NATO Security Investment Program (NSIP)	9
Special Inspector General for Iraq Reconstruction (SIGIR)	10
Additional Appropriations, House	13
Additional Appropriations, Senate	14
Title II: Department of Veterans Affairs	15
Agency Mission	15
Key Budget Issues	17
VA Cash Benefits	17
Medical Care	17
Funding Level for Defense and Veterans Brain Injury Center	19
Title III: Related Agencies	21
Independent Commissions	21
American Battle Monuments Commission	21
U.S. Court of Appeals for Veterans Claims	21
Cemeterial Expenses, Army	21
Armed Forces Retirement Home (AFRH)	21
Appendix A. Consolidated Funding Tables	23
Appendix B. Additional Resources	30
Budget	30
Selected Websites	30

List of Tables

Table 1a. Status of FY2007 Military Construction, Military Quality of Life and Veterans Affairs Appropriations (H.R. 5385)	4
Table 1b. Status of FY2007 Defense Authorization (H.R. 5122, S. 2766)	4
Table 2. Additional Appropriations, House, FY2007	13
Table 3. Additional Appropriations, Senate, FY2007	14
Table 4. Department of Veterans Affairs Appropriations, FY2000-FY2006 ...	15
Table 5. Appropriations: Department of Veterans Affairs, FY2006-FY2007 ...	15
Table 6a. DOD Military Construction	23
Table 6b. DOD Basic Allowance for Housing	26
Table 6c. DOD Facilities Sustainment, Restoration, & Modernization	27
Table 6d. DOD Environmental Remediation	28
Table 6e. DOD Health Program	28
Table 6f. DOD Military Totals	28
Table 7. Related Agencies	29

Military Construction, Military Quality of Life and Veterans Affairs: FY2007 Appropriations

Most Recent Developments

Military Construction, Military Quality of Life and Veterans Affairs Appropriations (H.R. 5385). The House Committee on Appropriations Subcommittee on Military Quality of Life and Veterans Affairs and Related Agencies reported its draft of the appropriations bill on May 15, 2006 (H.R. 5385, H.Rept. 109-464), recommending a total Fiscal Year appropriation of \$136.9 billion. The Rules Committee reported H.Res. 821, providing for one hour of general debate and leaving the bill open to general amendments, on May 18. The resolution passed on May 19, when the House began debate. Several Members offered amendments, though none was adopted, and raised points of order before the bill passed by the Yeas and Nays 395-0 (Roll No. 176).

The Senate received the bill and referred it to the Committee on Appropriations. The Committee reported H.R. 5385 with an amendment in the nature of a substitute favorably on July 20 (S.Rept. 109-286).¹ It was then placed on the Legislative Calendar under General Orders (Calendar No. 525). The Senate considered the bill on November 13 and 14, passing it by voice vote after floor amendment to the bill and title.² Nevertheless, the measure, along with most of the other regular appropriations bills, did not conference before the 109th Congress ended. Only the appropriations for the Departments of Defense and Homeland Security were enacted for Fiscal Year 2007, with the remaining functions of the federal government being sustained by a series of continuing resolutions.

Defense Authorization (H.R. 5122, S. 2766). Representative Duncan Hunter introduced (by request) the draft National Defense Authorization Act to the House on April 6, 2006. After referral to the Committee on Armed Services, the bill was reported (amended) to the House on May 5 (H.Rept. 109-452). The chamber considered the bill on May 10-11, 2006, and after amending it, considered recommitting it with instructions

¹ The Committee also recommended a change of the bill's title from "Military Quality of Life and Veterans Affairs, and Related Agencies Appropriations Bill, 2007" to "Military Construction and Veterans Affairs and Related Agencies Appropriation Bill, 2007," reflecting the differences between the chambers in appropriations subcommittee names and jurisdictions.

² The amended title read, "Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2007."

to Armed Services. Recommittal failed on a recorded vote 202-220 (Roll no. 144). The House then passed the measure 396-31 (Roll no. 145).

Senator John Warner reported the Senate Committee on Armed Services bill (S. 2766) and its accompanying report (S.Rept. 109-254) to the Senate on May 9, 2006. Additional views were filed simultaneously. The measure was placed on the Senate Legislative Calendar under General Orders (Calendar No. 426). The measure was laid before the Senate on June 12, debated, amended, and passed on June 22 by a Yea-Nay vote of 96-0 (Record Vote No. 186).

H.R. 5122 was received on May 15 and placed on the Legislative Calendar under General Orders (Calendar No. 431). On June 22, the Senate struck all after the Enacting Clause and substituted the language of S. 2766 amended, passing the amended measure by Unanimous Consent and requesting a conference. The House disagreed to the Senate amendment on September 7 and agreed to a conference. The conference began on September 12, 2006.

The Conference Report (H.Rept. 109-702) was filed in the House on September 29, 2006, and agreed the same day by the Yeas and Nays: 398-23 (Roll no. 510). The Senate agreed the report by Unanimous Consent on the following day. The bill was presented to the President on October 5. The bill became law on October 17, 2006 (P.L. 109-364).

Defense Appropriation (H.R. 5631). Several items in the House version of H.R. 5385 lie within the jurisdiction of the Senate Committee on Appropriations Subcommittee on Defense. These include basic allowance for housing (military personnel account), facilities, sustainment, restoration, and modernization (operations and maintenance account), and defense-related agencies. Appropriations for these activities are therefore included in the Senate's defense appropriation bill. Nevertheless, they are included in the tables appended to this report.

H.R. 5631 was introduced in the House on June 16, 2006, and passed on June 20 by a vote of 407-19 (H.Rept. 109-504, Roll no. 305). Referred to the Senate Committee on Appropriations, it was reported out on July 25 with an amendment in the form of a substitute (S.Rept. 109-292) and was placed on the Legislative Calendar under General Orders (Calendar No. 532). The Senate agreed to the committee substitute by Unanimous Consent on August 1. The Senate debated and amended the bill between August 1 and 3 and continued on September 5 through 7, passing it with amendment on a Yea-Nay vote of 98-0 (Record Vote No. 239) and requesting a conference.

The House appointed conferees on September 21, and the Conference Report (H.Rept. 109-676) was filed on September 25, 2006. The House agreed to the report by the Yeas and Nays: 394-22 (Roll no. 486). The Senate agreed to the conference report on September 29 by a Yeas and Nays vote of 100-0 (Record Vote No. 261). Presented to the President, he signed the bill on the same day (P.L. 109-289).

Continuing Resolutions. In the absence of an annual appropriation, Fiscal Year 2007 funding for all of the accounts included in the House version of H.R. 5385

has been sustained by a series of continuing resolutions. Div. B of H.R. 5631 (P.L. 109-289), the Department of Defense Appropriations Act for Fiscal Year 2007, continued appropriations for a variety of activities, including those covered by H.R. 5385, from the beginning of Fiscal Year 2007 through November 16, 2006, using various formulas.³ In general, these equated to the lowest of the House-passed, Senate-passed, or last-enacted funding levels.

H.J.Res. 100 (P.L. 109-369) continued appropriations through December 18, 2006.

H.J.Res. 102 (P.L. 109-383) continued appropriations through February 15, 2007.

H.J.Res. 20 (P.L. 110-5) was passed by the 110th Congress and enacted on February 15, 2007. It incorporated the previous continuing resolutions, continuing them, with some modification to military construction and veterans benefits, through the end of Fiscal Year 2007 (September 30, 2007). Additional information on H.J.Res. 20 is included later in this report.

Additional information regarding the recent history of and practices regarding continuing resolutions can be found in CRS Report RL30343, *Continuing Appropriations Act: Brief Overview of Recent Practices*, by Sandy Streeter, and CRS Report RL32614, *Duration of Continuing Resolutions in Recent Years*, by Robert Keith.

FY 2007 Emergency Supplemental Request for the Global War on Terror. As part of his Fiscal Year 2008 Budget Request, President George W. Bush included a recommendation for an additional \$93.4 billion emergency supplemental appropriation to support the Global War on Terror (GWOT). As stated in the Fiscal Year 2008 Budget Appendix (Additional FY2007 and FY2008 Proposals), military construction funds included would be “used to build urgent facilities needed for the Global War on Terror, including buildings, perimeter fences and barriers, secure fuel facilities, and roads to improve the force protection and safety of U.S. military forces. The funds will also be used to construct theater-located operations facilities needed to improve the capabilities of combat forces. In addition, the funds will cover the cost of housing, maintenance, and training infrastructure needed to support an expansion of Army and Marine Corps ground combat forces.”⁴

This supplemental request would add \$1.38 billion to the FY2007 Army military construction account, \$412.5 million to the FY2007 Navy and Marine Corps military construction account, and \$60.2 million to the FY2007 Air Force military construction account.

³ See Div. B, Sec. 101(b) – (e) of the Act.

⁴ The quotation is taken from pg. 1161. The appendix is available on the World Wide Web at <http://www.whitehouse.gov/omb/budget/fy2008/>.

Supplementary budget documentation forwarded by DOD broke down the funding along three main functional topics. “Continuing the Fight,” “Reconstituting the Force,” and “Enhancing Ground Forces.” Military construction was included in the first and the last of these.

Under “Continuing the Fight,” DOD indicated that approximately \$980.0 million would be devoted to the construction and improvement of facilities in Iraq and Afghanistan in direct support of ground force military operations. The Navy would spend \$85.1 million for facilities in Djibouti and at Naval Station Guantanamo, Cuba, and the Air Force would use \$60.2 million to improve airfield facilities in Afghanistan.

Approximately \$100 million of military construction under “Enhancing Ground Forces” is intended to accelerate the transition of existing Army and Marine units into two Brigade Combat Teams (Army) and a single Regimental Combat Team (Marine). The remaining construction funding, approximately \$729 million, would build housing and maintenance and training facilities for 92,000 new troops to be added to Army and Marine end strength by the end of 2012.

Status of Legislation

Table 1a. Status of FY2007 Military Construction, Military Quality of Life and Veterans Affairs Appropriations (H.R. 5385)

Committee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
5/4/06	7/18/06	H.Rept. 109-464	5/19/06	S.Rept. 109-286	11/14/06	—	—	—	—

Table 1b. Status of FY2007 Defense Authorization (H.R. 5122, S. 2766)

Committee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
5/18/05	5/4/06	H.Rept. 109-452	5/11/06	S.Rept. 109-254	9/7/06	H.Rept. 109-702	9/29/06	9/30/06	P.L. 109-364

Summary and Key Issues

Appropriations Subcommittee Jurisdiction Realignment, 109th Congress

House. During the first session of the 109th Congress, the Committee on Appropriations reorganized its subcommittee structure and realigned subcommittee jurisdictions. In the resulting redistribution of subcommittee responsibilities, the Subcommittees on Veterans Affairs, Housing and Urban Development (VA-HUD) and Military Construction were eliminated and some of their responsibilities were assigned to a new Subcommittee on Military Quality of Life and Veterans Affairs and Related Agencies. The new subcommittee was given jurisdiction for appropriations to the following accounts:

- *Department of Defense (DOD):* Military Construction, Army, Navy (including Marine Corps), Air Force, Defense-wide, and Guard and Reserve Forces, Facilities Sustainment, Restoration and Modernization, Army, Navy (including Marine Corps), Air Force, and Guard and Reserve Forces, Chemical Demilitarization Construction, Defense-wide Military Family Housing Construction and Operation and Maintenance, Army, Navy (including Marine Corps), Air Force, and Defense-wide Family Housing Improvement Fund, Military Unaccompanied Housing Improvement Fund, Homeowners Assistance Fund, Basic Allowance for Housing, Army, Navy (including Marine Corps), Air Force, and Guard and Reserve Forces, Environmental Restoration Accounts, Base Realignment and Closure Account, NATO Security Investment Program, Defense Health Program Account.
- *Department of Veterans Affairs.*
- *Related Agencies:* American Battle Monuments Commission, Armed Forces Retirement Home, Cemeterial Expenses, Army (DOD), Court of Appeals for Veterans Claims.

Senate. At the same time, the Senate Committee on Appropriations dissolved its Subcommittee on Veterans Affairs, Housing and Urban Development and transferred its responsibilities for Veterans Affairs, the American Battle Monuments Commission, Cemeterial Expenses, Army (Arlington National Cemetery), the Court of Appeals for Veterans Claims, and the Selective Service Commission to the former Subcommittee on Military Construction, which retained its responsibility for military construction appropriations. The reconstituted organization was renamed the Subcommittee on Military Construction and Veterans Affairs.

Subsequent Agreement. After negotiating the differing jurisdictions between the two subcommittees, House and Senate appropriators agreed that legislation considered would include appropriations to all of the accounts within the jurisdiction of the former Military Construction subcommittees and those related to the Department of Veterans Affairs and the related agencies. When considering

appropriations for odd-numbered fiscal years (e.g., 2007, 2009, etc.), the legislation add the appropriations accounts specific to the jurisdiction of the House subcommittee.⁵

Appropriations Subcommittee Jurisdiction Realignment, 110th Congress

With the opening of the 110th Congress, the House and Senate brought the responsibilities of their appropriations subcommittees more closely into alignment. On the House side, this resulted in a new alignment of jurisdictions and the renaming of several subcommittees.

The non-construction quality-of-life defense appropriations, including Facilities Sustainment, Restoration, and Modernization, Basic Allowance for Housing, Environmental Restoration, and the Defense Health Program returned to the jurisdiction of the Subcommittee on Defense. The former Subcommittee on Military Quality of Life, Veterans Affairs, and Related Agencies became the Subcommittee on Military Construction, Veterans Affairs, and Related Agencies, mirroring its counterpart in the Senate.

Title I: Department of Defense

Defense Health Program (DHP)

H.R. 5385 considered funding for the Defense Health Program (DHP) in FY2007, the medical and health care programs of the Department of Defense. The bill's DHP funding, which included Operation & Maintenance, Procurement and Research, Development, Test, and Evaluation activities associated with military health care, would have totaled approximately \$21 million.⁶ The DHP figure included funds for military medical facilities and contracts with Tricare civilian health care providers, which provide medical care to some 8 million military personnel, their dependents, retirees and their dependents. Differences between amounts approved by the House and Senate are relatively small; the House approved \$21.065 million; the Senate, \$21.409 million.

⁵ See Tim Starks, "Bill Targets Veterans' Funding Shortfall," *CQ Weekly* (November 18, 2005), p. 3136.

⁶ Funds (\$7 billion) for military medical personnel were appropriated in the Department of Defense Appropriations Act for Fiscal Year 2007 (H.R. 5631, P.L. 109-289). P.L. 109-289 also includes an \$11 billion contribution to the fund that will provide care for future Medicare-eligible military retirees and dependents, the *Medicare Eligible Retiree Health Care Fund*.

Military Construction

Military Base Realignments and Closures.⁷ Actions to implement recommendations to realign or close a number of defense installations throughout the United States began during FY2006. Originally drafted by the Department of Defense and modified by the independent nine-member BRAC Commission (officially known as the Defense Base Closure and Realignment Commission of 2005), the list of actions will close 25 major military bases, realign another 24, and carry out some 765 other actions before the statutory deadline of September 2011, according to the Department of Defense.⁸

The 2005 round marked the fifth time that a commission took part in determining which military installations are to be closed or significantly reduced in scope. The first, the Base Realignment and Closure Commission, was chartered by, and reported its recommendations to, the Secretary of Defense. All subsequent commissions were created by Congress in the Defense Base Closure and Realignment Act of 1990, as amended. Three subsequent rounds (in 1991, 1993, and 1995) were authorized by Congress in the original legislation. The 2005 round was authorized in an amendment to the original law incorporated into the National Defense Authorization Act for Fiscal Year 2002.

Several BRAC-related issues arose during the formulation and consideration of the list of recommendations, as indicated below.

Requested Funding for BRAC Accounts. The appropriation request for FY2007 was split between two BRAC Accounts, one labeled the 1990 account and the other the 2005 account.

The BRAC 1990 account is the consolidation of what had been four separate accounts, one for each of the previous BRAC rounds. Because all of the recommended BRAC actions from those rounds were completed in 2001, the BRAC 1990 account is devoted to funding the continuing environmental remediation required on the federal property deemed excess during those rounds but not yet conveyed to non-DOD ownership. There was \$246 million appropriated to the 1990 account for FY2005, and \$252.2 million was enacted for FY2006. For FY2007, the President requested \$191.2 million, while the House Committee on Appropriations

⁷ CRS products that discuss the BRAC process in greater detail include CRS Report RL32216, *Military Base Closures, Implementing the 2005 Round* by David E. Lockwood, CRS Report RS22291, *Military Base Closures: Highlights of the 2005 BRAC Commission Report and Proposed Legislation* by Daniel H. Else and David E. Lockwood, and CRS Report RL33092, *Base Realignment and Closure (BRAC): Property Transfer and Disposal* by Aaron M. Flynn. Current BRAC-related products can most easily be found through the CRS web page under *Current Legislative Issues: Defense* and then *Military Base Closures*.

⁸ 10 U.S.C. 2687 note, the Defense Base Closure and Realignment Act of 1990, as amended, requires the Secretary of Defense to implement all BRAC Commission recommendations not later than six years after their final approval. For the 2005 round, DOD has calculated that date to be September 15, 2011.

recommended \$216.2 million. The Senate Committee on Appropriations endorsed the President's request for \$191.2 million.

The BRAC 2005 account funds the many realignment and closure actions, to include the movement of units and equipment, the construction of new infrastructure at receiving installations, and the realignment and closure of property deemed excess in the current BRAC round. In addition, DOD has incorporated into the BRAC 2005 account funding for construction to accommodate units being redeployed to the United States and its territories from garrisons located overseas — primarily in Germany and the Republic of Korea. DOD refers to this worldwide redeployment as the Integrated Global Presence and Basing Strategy, or IGPBS, and has identified its associated military construction in budget justification documents using that acronym.⁹

BRAC appropriations in previous rounds rose rapidly during the first two or three years in order to initiate needed military construction. Appropriations then stabilized and fell off as units and functions were moved to new locations and surplus properties were relinquished. Continuing appropriations, as mentioned above, have been dedicated primarily to environmental remediation of remaining problematic real property for which title remains with DOD.

Congress appropriated \$1.59 billion to the BRAC 2005 account for FY2006. The President requested \$5.6 billion for FY2007. If DOD follows its historic pattern, this request is likely to be repeated for FY2008 before falling off to perhaps half that for FY2009. The House Committee on Appropriations recommended a \$5.3 billion appropriation for FY2007, while the Senate Committee on Appropriations recommended \$5.2 billion.

Because Congress did not pass a military construction appropriation for Fiscal Year 2007, BRAC had to be funded under the various continuing resolutions. The final non-emergency appropriation action for Fiscal Year 2007 was H.J.Res 20, a year-long continuing resolution that incorporated the two previous short-term continuing resolutions and extended their appropriations through the end of the fiscal year, September 20, 2007. Though Sec. 101 of the continuing resolution specified that funding was to be provided at the levels specified in the applicable Fiscal Year 2006 appropriations acts, exceptions were made for certain accounts. This is reflected in the tables in **Appendix A**.

Impact of Military Redeployments on Local Schools. Unit and function movements associated with BRAC and IGPBS will significantly increase the populations in and around some military installations. For example, the 2005 BRAC Commission estimated that Aberdeen Proving Ground and Ft. Meade in Maryland are expected to gain more than 1,800 and 10,000 military, civilian, and contractor positions, respectively. Ft. Belvoir, Virginia, is calculated to gain more than 21,000 direct and indirect positions. Several other installations, such as Ft. Bliss in Texas

⁹ BRAC deals with the closure and realignment of defense installations within the United States and its territories, while the IGPBS addresses all other U.S. military installations worldwide.

and Ft. Sill in Oklahoma, are also preparing for significant additions to the personnel stationed there. Local jurisdictions in the vicinity of gaining installations have expressed concern that they may have difficulty creating the infrastructure needed to support such large-scale changes in population.

One such issue concerns the provision of primary and secondary education for the children of families being moved into the various areas. Some school boards have expressed concern that the process for providing federal impact aid, which subsidizes the maintenance and operation of local education institutions adversely affected by federal government activity such as maintaining a military installation, may not be received in time to construct and staff new school facilities before these new students arrive. A detailed discussion of impact aid in the BRAC context can be found in CRS Report RL33137, *Military Base Closures and the Impact Aid Program for Education*, by Rebecca R. Skinner.

Recapitalization. In 2001, the Department of Defense estimated its existing recapitalization rate at 192 years.¹⁰ This meant that, on average, the Department was funding military construction at a rate that would replace its real property inventory every 192 years. At that time, the Department established a recapitalization goal of 67 years. In testimony to Congress on February 15, 2006, the Hon. Philip Grone, the Deputy Undersecretary of Defense for Installations and Environment, stated that the Fiscal Year 2007 budget request would support a recapitalization cycle of 72 years, indicating an acceleration of construction that is approaching, but has not yet reached, its goal.

NATO Security Investment Program (NSIP). The NSIP constitutes the United States contribution to the common North American Treaty Organization (NATO) infrastructure fund. Traditionally, these common alliance funds have constructed facilities such as petroleum pipelines, roads, communications networks, and the like that are employed in the defense of the NATO alliance.

Since the end of the Cold War, the military focus of the North Atlantic Alliance has shifted from the defense member states in Western Europe to the potential for “out-of-area” operations in areas such as the Balkans and Central Asia. In its report to the House (H.Rept. 109-464), the Committee on Appropriations recommended \$201.0 million for the NSIP, noting that the “Committee expects projects will be prioritized with the highest priority given to NATO on-going missions such as those in Iraq and Afghanistan.”¹¹

¹⁰ Recapitalization is the process of replacing old structures as they reach the end of their expected service life (assuming that facility sustainment, or routine maintenance, is fully funded). If maintenance is inadequate, the service life of any structure is correspondingly shortened. The Department of Defense often quotes a shorthand Department-wide “recapitalization rate” that is the funded service life (e.g., 192 years) and an “expected service life” that is a replacement goal (e.g., 67 years).

¹¹ House, *Military Quality of Life and Veterans Affairs, and Related Agencies Appropriations Bill, 2007*, 109th Cong., 2nd Sess., 2006, H.Rept. 109-464, p. 27.

The President requested \$221.0 million for the NSIP for FY2007, while the House approved \$201.0 million. The Senate approved an appropriation of \$206.0 million.

Special Inspector General for Iraq Reconstruction (SIGIR). Language in the John Warner National Defense Authorization Act for Fiscal Year 2007 (H.R. 5122, P.L. 109-364) provided for the termination of the Special Inspector General for Iraq Reconstruction (SIGIR).

The House-passed version of the bill contained no provision regarding the operation of the SIGIR.¹² During floor debate of the Senate's national defense authorization bill (S. 2766), Senator Russell D. Feingold proposed an amendment that would extend the investigative, auditing, and reporting authorities of the SIGIR to cover "any funds appropriated or otherwise made available for fiscal year 2006 for the reconstruction of Iraq, regardless of how such funds may be designated."¹³ The measure was agreed by voice vote on June 15, 2006, and incorporated into the bill as Sec. 1054. It became part of H.R. 5122 when the Senate amended that bill by substituting the language of S. 2766 on June 22. The section read as follows:

SEC. 1054. STRENGTHENING THE SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION.

For purposes of discharging the duties of the Special Inspector General for Iraq Reconstruction under subsection (f) of section 3001 of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (5 U.S.C. 8G note), and for purposes of determining the date of termination of the Office of the Special Inspector General under subsection (o) of such section, any funds appropriated or otherwise made available for fiscal year 2006 for the reconstruction of Iraq, regardless of how such funds may be designated, shall be treated as amounts appropriated or otherwise made available for the Iraq Relief and Reconstruction Fund.

Conference on the authorization bill began on September 12, and the conference report (H.Rept. 109-702) was filed on September 29. Sec. 1054, as entered into the Congressional Record, now read:

SEC. 1054. MODIFICATION OF AUTHORITIES RELATING TO THE SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION.

(a) Duties — For purposes of carrying out the duties of the Special Inspector General for Iraq Reconstruction under section 3001(f) of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (Public Law 108-106; 117 Stat. 1235 et seq.; 5 U.S.C. App., note to section 8G of Public Law 95-452), any United States funds

¹² The SIGIR maintains a website, through which access to information on its' audits, investigations, and reports can be gained. This website can be found at [<http://www.sigir.mil/>].

¹³ S.Amdt. 4256. Consideration of the measure is found in the *Congressional Record* for June 15 (S5914-S5916, the text of the amendment is located on page S5968).

appropriated or otherwise made available for fiscal year 2006 for the reconstruction of Iraq, irrespective of the designation of such funds, shall be deemed to be amounts appropriated or otherwise made available to the Iraq Relief and Reconstruction Fund.

(b) Termination — Section 3001(o) of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (Public Law 108-106; 117 Stat. 1238; 5 U.S.C. App., note to section 8G of Public Law 95-452) is amended to read as follows:

‘(o) Termination - The Office of the Inspector General shall terminate on October 1, 2007, with transition operations authorized to continue through December 31, 2007.’.

By way of explanation, the accompanying Joint Explanatory Statement read:¹⁴

The Senate amendment contained a provision (sec. 1054) that would expand the authority of the Special Inspector General for Iraq Reconstruction (SIGIR) by considering any funds appropriated or made available in the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109-234) for relief and reconstruction in Iraq as part of the Iraqi Relief and Reconstruction Fund (IRRF), and under the jurisdiction of the SIGIR, regardless of the source of the funds.

The House bill contained no similar provision.

The House recedes with an amendment that would clarify that the additional SIGIR jurisdiction is limited to U.S. funds and would provide a sunset date of October 1, 2007, for the Office of the SIGIR, with transition operations authorized to continue through December 31, 2007.

The conferees support the comprehensive audit efforts of the SIGIR and believe the office continues to perform a critical function as long as significant resources flow to Iraq reconstruction and until a transition plan is in place to return to regular order. The conferees direct the SIGIR, jointly with the Inspectors General of the Departments of State and Defense and the Inspector General of the U.S. Agency for International Development (USAID), to develop and submit such a transition plan to Congress by April 1, 2007. The plan should ensure maintenance and accountability of all accumulated records and minimal, if any, disruption in the ability to oversee reconstruction funding or other U.S. assistance to Iraq. The plan should include a process and time line for transfer of open audits and investigations to the appropriate Departments of Defense, State or USAID office and should consider various contingency scenarios which may impact the transition time line. The conferees recognize that a significant change in the assumptions underlying this provision, such as a major new commitment of U.S. funds for Iraq reconstruction, would require changes to the transition plan and time line.

The conference report was agreed by the House by the Yeas and Nays: 398-23 (Roll no. 510) on September 29, 2006. The Senate agreed to the report by Unanimous

¹⁴ H.Rept. 109-702, p. 817.

Consent on the following day. The bill was presented to the President on October 5 and became law on October 17, 2006 (P.L. 109-364).

The Joint Explanatory Statement notwithstanding, Senators Susan M. Collins and Joseph I. Lieberman appeared in a press conference on November 14, 2006, to state, in part:

COLLINS: How did the termination provision ... get put in? That's a very good question. We are both conferees — were conferees. And, speaking for myself, what I thought was the last version of the bill did not include that provision.

But I think it's important that however it got in there — and it certainly did not originate on the Senate side — that it's important that we correct the problem, go forward, and extend the life of the office...

LIEBERMAN: Yes. I'd just add, also as a conferee, that we didn't see this in the last version that we saw. We checked after this became public, and I don't believe that the leaders of the committee on the Senate side or their staff knew it was in there....

Senator Collins had introduced an amendment to the military construction appropriations bill then under consideration on the Senate floor. This provision stated:¹⁵

On page 82, between lines 19 and 20, insert the following:

Sec. 126. Section 3001(o) of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (Public Law 108-106; 117 Stat. 1238; 5 U.S.C. App., note to section 8G of Public Law 95-452), as amended by section 1054(b) of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109-364), is amended to read as follows:

“(o) Termination. — (1)(A) The Office of the Inspector General shall terminate 10 months after 80 percent of the funds appropriated or otherwise made available to the Iraq Relief and Reconstruction Fund have been expended.

“(B) For purposes of calculating the termination of the Office of the Inspector General under this subsection, any United States funds appropriated or otherwise made available for fiscal year 2006 for the reconstruction of Iraq, irrespective of the designation of such funds, shall be deemed to be amounts appropriated or otherwise made available to the Iraq Relief and Reconstruction Fund.

“(2) The Special Inspector General for Iraq Reconstruction shall, prior to the termination of the Office of the Special Inspector General under paragraph (1), prepare a final forensic audit report on all funds deemed to be amounts

¹⁵ S.Amdt. 5123 to H.R. 5385, titled “To extend the Office of the Inspector General for Iraq until 80 percent of the funds appropriated or otherwise made available to the Iraq Relief and Reconstruction Fund has been expended.” Amendment text may be found in the *Congressional Record* for November 13, 2006, on pages S10881-S10882. Consideration of the measure is detailed on pages S10895-S10897.

appropriated or otherwise made available to the Iraq Relief and Reconstruction Fund.”.

The amendment was agreed to in the Senate by voice vote, and the bill passed as amended on November 14, 2006.

Additional Appropriations, House. In Title IV of its bill, the House Committee on Appropriations recommended an additional \$507 million for military construction accounts for “projects supporting contingency operations related to the global war on terrorism” (see **Table 2**). These funds were intended for “projects related to urgent transformation efforts, as well as projects directly supporting operations in the theater and those that will enhance training in urban operations and close quarters combat.”¹⁶

Table 2. Additional Appropriations, House, FY2007

Military Construction Account	New Budget Authority (\$ millions)
Army	379,300
Navy and Marine Corps	26,037
Air Force	49,923
Defense-Wide	44,500
Army National Guard	5,530
Army Reserve	1,713
<i>Total</i>	507,003

Source: H.Rept. 109-464, p. 69.

Each of these appropriations was addressed in a separate paragraph under Title IV, and each was designated an emergency appropriation by language stating that “the amount under this heading is designated as making appropriations for contingency operations related to the global war on terrorism pursuant to section 402 of H.Con.Res. 376 (109th Congress), the concurrent resolution on the budget for FY2007.” This language would have constituted legislation within a general appropriations bill by changing the existing concurrent resolution. It therefore violated Clause 2(b) of Rule XXI of the House Rules.¹⁷ Representative Jeb

¹⁶ House, *Military Quality of Life*, p. 69.

¹⁷ The clause states, “A provision changing existing law may not be reported in a general appropriation bill, including a provision making the availability of funds contingent on the receipt or possession of information not required by existing law for the period of the appropriation, except germane provisions that retrench expenditures by the reduction of amounts of money covered by the bill (which may include those recommended to the Committee on Appropriations by direction of a legislative committee having jurisdiction over the subject matter) and except rescissions of appropriations contained in appropriation (continued...) ”

Hensarling, of Texas, raised a point of order against each of these paragraphs and was sustained by the Chair.

Additional Appropriations, Senate. The Senate Committee on Appropriations included in its defense appropriation recommendation \$50 billion in additional appropriations to fund the global war on terrorism for the first several months of Fiscal Year 2007. Of this, \$897 million was recommended as an addition to the recommended basic allowance for housing for Army active and reserve component members, as noted in **Table 3**.

Table 3. Additional Appropriations, Senate, FY2007
(\$ in thousands)

Basic Allowance for Housing	Amount
Army	888,704
Army Reserve	3,164
Army National Guard	5,141
<i>Total</i>	897,009

Source: S.Rept. 109-292, p. 236.

¹⁷ (...continued)
Acts.”

Title II: Department of Veterans Affairs

**Table 4. Department of Veterans Affairs Appropriations,
FY2000-FY2006**

(budget authority in billions)

	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
VA	\$46.04	\$47.95	\$52.38	\$58.10	\$61.84	\$65.84	\$71.46

Source: Amounts shown are from reports of the Appropriations Committees accompanying the appropriations bills for the following years.

Agency Mission

Federal policy toward veterans recognizes the importance of their service to the nation and the effect that service may have on their subsequent civilian lives. The Department of Veterans Affairs (VA) administers, directly or in conjunction with other federal agencies, programs that provide benefits and other services to veterans and their dependents and beneficiaries. The three primary organizations in VA that work together to accomplish this mission are the Veterans Benefits Administration (VBA), the Veterans Health Administration (VHA), and the National Cemetery Administration (NCA). The benefits provided include compensation for disabilities sustained or worsened as a result of active duty military service; pensions for totally disabled, poor war veterans; cash payments for certain categories of dependents and/or survivors; education, training, rehabilitation, and job placement services to assist veterans upon their return to civilian life; loan guarantees to help them obtain homes; free medical care for conditions sustained during military service as well as medical care for other conditions, much of which is provided free to low income veterans; life insurance to enhance financial security for their dependents; and burial assistance, flags, grave-sites, and headstones when they die.

**Table 5. Appropriations: Department of Veterans Affairs,
FY2006-FY2007**

(budget authority in billions)

Program	FY2006 enacted	FY2007 request	FY2007 House	FY2007 Senate	FY2007 HJRes. 20
Total: (VA)	\$71.458	\$77.909	\$77.909	\$77.909	\$77.882
Compensation, pension, burial	\$33.898	\$38.007	\$38.007	\$38.007	\$38.007
Readjustment benefits	3.309	3.262	3.262	3.262	3.262
Insurance/indemnities	0.046	0.050	0.050	0.050	.050
Housing prog. (net, indef.)	-0.047 ^a	0.097	0.097	0.097	.097
<i>Subtotal: Mandatory</i>	<i>\$37.206</i>	<i>\$41.416</i>	<i>\$41.416</i>	<i>\$41.416</i>	<i>41.416</i>

Program	FY2006 enacted	FY2007 request	FY2007 House	FY2007 Senate	FY2007 HJRes. 20
Medical services	21.322	25.512	25.412	28.689	25.512
Emerg. funding	1.225	—	—	—	—
Emerg. funding (P.L. 109-148)	0.225	—	—	—	—
Medical administration	2.858	3.177	3.277	—	3.177
Medical facilities	3.298	3.569	3.594	3.569	3.569
Med. & prosthetic research	0.412	0.399	0.412	0.412	.414
Med. care collection fund ^b					
(offsetting receipts)	-2.170	-2.329	-2.329	-2.329	-2.329
(approps. indefinite)	2.170	2.329	2.329	2.329	2.329
<i>Subtotal: Med. programs & admin. (appropriations)</i>	<i>29.341</i>	<i>32.657</i>	<i>32.695</i>	<i>32.670</i>	<i>32.672</i>
<i>Total available to VHA</i>	<i>31.511</i>	<i>34.986</i>	<i>35.024</i>	<i>34.999</i>	<i>35.001</i>
Gen. admin. exp. (total)	1.411	1.481	1.481	1.468	1.481
Emerg. funding (P.L. 109-148)	0.025	—	—	—	
Information technology	1.214	1.257	1.302	1.256	1.214
National Cemetery Admin.	0.156	0.161	0.161	0.161	.161
Emerg. funding (P.L. 109-148)	^c	—	—	—	
Inspector General	0.070	0.069	0.069	0.071	.070
Construction	0.806	0.597	0.494	0.597	.598
Emerg. funding (P.L. 109-148 & 234)	0.955	—	—	—	
Grants; state facilities	0.085	0.085	0.105	0.085	.085
State veteran cemeteries	0.032	0.032	0.032	0.032	.032
Housing & other loan admin.	0.155	0.154	0.154	0.154	.154
Disaster comp. — emergency (P.L. 106-148)	0.003	—	—	—	—
<i>Subtotal: Discretionary</i>	<i>\$34.252</i>	<i>\$36.493</i>	<i>\$36.493</i>	<i>\$36.493</i>	<i>\$36.466</i>

Source: Table prepared by the Congressional Research Service based on H.Rept. 109-464, S.Rept. 109-286, and H.J.Res. 20.

- a. This negative budget authority is the result of combining the loan subsidy payments estimated to be needed during FY2006 with the offsetting receipts expected to be collected.
- b. Medical Care Collections Fund (MCCF) receipts are restored to the VHA as an indefinite budget authority equal to the revenue collected.
- c. \$200,000.

Key Budget Issues

The budget submitted by the Administration in February 2006 calls for funding VA at a level of \$77.9 billion dollars for FY2007 (see **Table 5**). This would be an increase of \$6.5 billion, or 9.0%, over the FY2006 total including the supplemental appropriations. The most recent supplemental (P.L. 109-234) added FY2006 funds for construction of a replacement for the VA Medical Center in New Orleans.¹⁸

The Senate passed its version of the budget resolution for FY2007 (S.Con.Res. 83) on March 16, 2006, and the House passed H.Con.Res 376 on May 18, 2006. The overall budget function 700 for veterans benefits and services addressed in the budget resolution is broader than just the VA and includes money that will be appropriated in other bills for other departments as well. The House-passed version recommends \$74.6 billion in new budget authority for veterans benefits and services. The Senate version was amended on the floor to increase the total to \$74.8 billion for the veterans budget function.

The House Appropriations Committee approved its appropriations bill (H.R. 5385) including about the same amount as requested for VA on May 10, 2006. The bill, as passed by the House on May 19, 2006, would provide a total of \$77.9 billion for the VA budget with \$36.5 billion of the bill's \$94.7 billion 302(b) allocation going for VA discretionary spending. The Senate Appropriations Committee approved the bill with the same totals on July 20, 2006. On January 31, 2007, the House approved H.J.Res. 20, a continuing resolution to provide funding for FY2007.

VA Cash Benefits. Eligibility requirements and benefit levels for VA cash benefits are specified in law. Since spending for these programs is mandatory as noted above, the amounts requested in the budget are based on projected caseloads. While the total number of veterans is declining, the number receiving benefits is increasing. VA entitlement spending (outlays), mostly service-connected compensation, pensions, and readjustment (primarily education) payments, rose from \$31.2 billion in FY2004 to \$38.1 billion in FY2005 and is projected at \$38.2 billion in FY2007. In addition to the increased number of beneficiaries, much of the projected increases in recent years result from cost-of-living adjustments for compensation benefits and from liberalizations to the Montgomery GI Bill, the primary education program.

Medical Care

The Veterans Health Administration (VHA) is a direct service provider of primary care, specialized care, and related medical and social support services to veterans through an integrated health care system. In FY2005, VHA operated 156 hospitals, 135 nursing homes, 43 residential rehabilitation treatment centers, and 711 community-based

¹⁸ For further information on this bill, see CRS Report RL33298, *FY2006 Supplemental Appropriations: Iraq and Other International Activities; Additional Katrina Hurricane Relief*, coordinated by Paul M. Irwin and Larry Nowels.

outpatient clinics (CBOCs).¹⁹ VHA also pays for care provided to veterans by independent providers and practitioners on a fee basis under certain circumstances. Inpatient and outpatient care is provided in the private sector to eligible dependents of veterans under the Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA). In addition, VHA provides grants for construction of state-owned nursing homes and domiciliary facilities, and collaborates with the Department of Defense (DOD) in sharing health care resources and services.

The President's FY2007 budget proposal to Congress requested \$32.7 billion for VHA, a 11.3% increase over the FY2006 enacted amount of \$29.3 billion, and a 10% increase over the FY2005 enacted amount of \$29.7 billion. As in previous budget proposals, the President's FY2007 budget request also includes a set of legislative proposals. The Administration is requesting authorization from Congress to assess an annual enrollment fee of \$250 for all Priority 7 and 8 veterans, increase the veterans' share of pharmaceutical co-payments from \$8 to \$15 (for each 30-day prescription) for all enrolled veterans in Priority Groups 7 and 8, and bill veterans receiving treatment for nonservice-connected conditions for the entire co-payment amount.

The House passed its version of the Military Construction, Military Quality of Life, and Veterans Affairs Appropriations bill (MIL-CON-QUAL-appropriations bill) for FY2007 (H.R. 5385, H.Rept. 109-464) on May 19, 2006. H.R. 5385 provides \$32.7 billion for the Veterans Health Administration (VHA) for FY2007, about the same amount as the President's request. This includes \$25.4 billion for medical services, a \$2.6 billion (11.6%) increase over the FY2006 enacted amount and \$100 million less than the President's requested amount of \$25.5 billion. The MIL-CON-QUAL-appropriations bill also includes \$3.3 billion for medical administration, a \$100 million increase over the President's request; \$3.6 billion for medical facilities; and \$412 million for medical and prosthetic research, a \$13.0 million increase over the Administration's request. The House-passed bill **does not** include any provisions that would give VA the authority to implement fee increases as requested by the Administration's budget proposal for VHA for FY2007.

On July 20, 2006, the Senate Committee on Appropriations reported out of committee its version of the Military Construction and Veterans Affairs and Related Agencies Appropriations bill (MIL-CON-VA-appropriations bill) for FY2007 (H.R. 5385, H.Rept. 109-286). H.R. 5385, as amended, provides \$32.7 billion for VHA for FY2007, about the same as the House-passed amount and the President's request. This amount includes \$28.7 billion for medical services, a 26.0% increase over the FY2006 enacted amount, and a 13.0% increase over the House-passed amount. Although it appears that the Committee-recommended amount is significantly higher than the President's request (\$25.5 billion) and the House-passed amount (\$25.4 billion), it should be noted that the Committee combined the medical administration account into the medical services account. The MIL-CON-VA-appropriations bill

¹⁹ Data on the number of hospitals and nursing homes includes facilities damaged by Hurricane Katrina. Data on the number of CBOCs differ from source to source. Some count clinics located at VA hospitals while others count only freestanding CBOCs. The number represented in this report excludes clinics located in VA hospitals. The data are current as of Dec. 1, 2005.

also includes \$3.6 billion for medical facilities, and \$412 million for medical and prosthetic research. The Senate Appropriations Committee reported bill **does not** include any provisions that would give VA the authority to implement fee increases as requested by the Administration's budget proposal for VHA for FY2007.

The third continuing resolution (H.J.Res. 102 , P.L. 109-383) extended funding for VHA through February 15, 2007. Section 136 of H.J.Res. 102 provided VA with the authority to transfer up to \$684 million into the medical services account from other non-medical care accounts. Since the beginning of FY2007, VA has been using unobligated balances carried over from FY2006 to bridge the approximately \$250 million per month shortfall in the VHA accounts.

Funding Level for Defense and Veterans Brain Injury Center

During Senate floor consideration of the FY2007 Department of Defense Appropriations Act (H.R. 5631), controversy erupted about the adequacy of funding for the Defense and Veterans Brain Injury Center, a center that coordinates treatment and research for traumatic brain injuries affecting active-duty military, their dependents and veterans provided.²⁰ Concerned about traumatic and other brain injuries in Iraq and Afghanistan due to Improvised Explosive Device (IED) attacks, Congress increased DOD's funding request for this program in FY2006, and commissioned an extensive report due October 6, 2006.²¹ In FY2007, the final funding level for this program will be set in the conference version of the Military Construction, Military Quality of Life, Veterans Affairs & related agencies bill (H.R. 5385). Despite the controversy about the funding level for this particular program, military personnel are entitled to full medical coverage under the TRICARE program.

The Defense and Veterans Brain Injury Center is funded within the "Blast Injury Prevention, Mitigation and Treatment" program, and received \$10.7 million of the \$19.6 million appropriated in FY2006. Last year, Congress increased DOD's request for blast injury from \$7 million to \$19.6 million, including monies for both treatment and R&D, all provided within the appropriation for Defense Health.

In FY2007, DOD again proposed \$7 million for the Blast Injury Prevention, Mitigation and Treatment program including \$4.9 million for the Defense and Veterans Brain Injury Center. On September 6, 2007, the Senate unanimously adopted an amendment to the FY2007 DOD Appropriations bill (H.R. 5631) offered by Senators Allen and Durbin (SA4883) that made \$19 million available for the Defense and Veterans Brain Injury Center from monies for the Defense Health Program.²² The House did not change DOD's request for \$7 million for the Blast

²⁰ Treatment is provided at three military hospitals, three VA hospitals and two private centers.

²¹ See Sec. 255 in *P.L. 109-163, H.Rept. 109-360*, pp.47-50, and p. 622 for reporting requirement, and see *H.Rept. 109-359*, Conference Report on FY2006 DOD Appropriations Bill for FY2006 Congressional action, p. 458.

²² See *Congressional Record*, September 5, 2006, pp. S8928ff and September 6, 2006, p. (continued...)

Injury Prevention, Mitigation and Treatment program and funded the program in a different bill, the Military Construction, Military Quality of Life and Veterans Affairs appropriations bill (H.R. 5385).²³

In FY2007, the appropriation conferees for the FY2007 Military Construction, Military Quality of Life and Veterans Affairs appropriation bills (H.R. 5385) will need to resolve differences in funding for the Blast Injury Prevention, Mitigation and Treatment program, and the amount of that funding that will go to Defense and Veterans Brain Injury Center.²⁴

For a more detailed discussion of the VA medical care budget, see CRS Report RL33409, *Veterans' Medical Care: FY2007 Appropriations*, by Sidath Viranga Panangala.

²² (...continued)
S8992 and S9035.

²³ For DOD request, see "Exhibit OP-5, In-House Care," *Defense Health Program, FY2007 Budget Estimates*, February 2006, pp. 2-4; [http://www.dod.mil/comptroller/defbudget/fy2007/budget_justification/pdfs/dhp/VOL_1/Vol_1_Sec_5_-_A_OP-5_IHC_07PB_DH_P.pdf]. Because this program is part of In-house Care and because the House did not change DOD's request, the House report does not specifically mention its funding.

²⁴ At the beginning of the 109th Congress, the appropriations committees changed the jurisdictional responsibility of various subcommittees. Funding for Defense Health is included in Military Construction bill in the House and in the Defense Appropriations bill in the Senate. The appropriators follow the House rules in odd years like FY2007 and the Senate rules in even years.

Title III: Related Agencies

Independent Commissions

American Battle Monuments Commission. The American Battle Monuments Commission (ABMC) is responsible for the maintenance and construction of U.S. monuments and memorials commemorating the achievements in battle of U.S. armed forces since the nation's entry into World War I; the erection of monuments and markers by U.S. citizens and organizations in foreign countries; and the design, construction, and maintenance of permanent military cemetery memorials in foreign countries. The Commission maintains 24 military memorial cemeteries and 25 monuments, memorials, and markers in 15 countries, including three memorials on U.S. soil.

The ABMC was responsible for the planning and construction of the World War II Memorial on the Mall in Washington, DC. Though the National Park Service assumed responsibility for the operation and maintenance of the Memorial at its dedication, the ABMC retains a fiduciary responsibility for the remaining public contributions given for its construction. The ABMC has undertaken the construction of an Interpretive Center at the Normandy American Cemetery, Normandy, France, to commemorate the World War II Allied invasion of France on June 6, 1944, and the subsequent land battles in Europe. The Commission is scheduled to open the facility on June 6, 2007.

U.S. Court of Appeals for Veterans Claims. The U.S. Court of Appeals for Veterans Claims was established by the Veterans' Judicial Review Act of 1988. The Court is an independent judicial tribunal with exclusive jurisdiction to review decisions of the Board of Veterans' Appeals. It has the authority to decide all relevant questions of law; interpret constitutional, statutory, and regulatory provisions; and determine the meaning or applicability of the terms of an action by the Department of Veterans Affairs (VA). It is authorized to compel action by the VA. It is authorized to hold unconstitutional or otherwise unlawful and set aside decisions, findings, conclusions, rules and regulations issued or adopted by the Department of Veterans Affairs or the Board of Veterans' Appeals.

The Court currently occupies leased facilities near Judiciary Square in the District of Columbia and is searching for a permanent location. The Court's major operational initiative is its transition to an electronic case filing system, which is also funded through this appropriation.

Cemeterial Expenses, Army. The Secretary of the Army is responsible for the administration, operation and maintenance of Arlington National Cemetery and the Soldiers' and Airmen's Home National Cemetery. In addition to its principal function as a national cemetery, Arlington is the site of approximately 3,100 non-funeral ceremonies each year and has approximately 4,000,000 visitors annually.

Armed Forces Retirement Home (AFRH). The Armed Forces Retirement Home account provides funds to operate and maintain the Armed Forces Retirement Home in Washington, DC (also known as the United States Soldiers' and Airmen's

Home), and the Armed Forces Retirement Home in Gulfport, Mississippi (originally located in Philadelphia, PA, and known as the United States Naval Home). These two facilities provide long-term housing and medical care for approximately 1,600 needy veterans. The appropriation is not drawn from the general treasury, but rather comes from a special trust fund that is maintained through gifts, bequests, and a \$0.50 per month assessment on the pay of active duty enlisted military personnel and warrant officers.

The Gulfport campus, encompassing a 19-story living accommodation and medical facility tower, was severely damaged by Hurricane Katrina at the end of August, 2005, and is not currently in use. Four hundred fourteen of the 583 residents then occupying the facility were transferred to the Washington, DC, location immediately after the storm.

Appendix A. Consolidated Funding Tables

Table 6a. DOD Military Construction
(budget authority in \$000)

Account	FY2006 Enacted	FY2007 Request	House	Senate	Cont. Res.
<i>Military Construction, Army</i>	1,757,507	2,059,762	1,756,298	2,137,822	2,013,000
Emergency Appropriations	—	—	—	34,800	—
Rescissions	(19,746)	—	(43,348)	(43,348)	—
Rescissions (Emerg. Approps.)	—	—	—	(125,800)	—
Emerg. Approps. (P.L. 109-234)	187,100	—	—	—	—
<i>Total</i>	1,924,861	2,059,762	1,712,950	2,003,474	2,013,000
<i>Military Construction, Navy and Marine Corps</i>	1,145,570	1,162,038	1,193,834	—	1,129,000
Rescissions	(50,037)	—	(38,000)	—	—
Emerg. Approps. (P.L. 109-148)	291,219	—	—	—	—
Emerg. Approps. (P.L. 109-234)	44,770	—	—	—	—
<i>Total</i>	1,431,522	1,162,038	1,155,834	1,200,065	1,129,000
<i>Military Construction, Air Force</i>	1,275,645	1,156,148	1,187,550	—	1,083,000
Rescissions	(29,100)	—	(2,694)	—	—
Emerg. Approps. (P.L. 109-148)	52,612	—	—	—	—
Emerg. Approps. (P.L. 109-234)	125,000	—	—	—	—
Rescissions (Emerg. Approps.)	—	—	—	(10,800)	—
<i>Total</i>	1,424,157	1,156,148	1,184,856	1,181,575	1,083,000
<i>Military Construction, Defense-wide</i>	998,766	1,208,198	1,107,606	1,061,395	1,127,000
Emergency Appropriations	—	—	—	100,886	—
Rescissions	(20,000)	—	(110,229)	(124,065)	—
Emerg. Approps. (P.L. 109-148)	45,000	—	—	—	—
Emerg. Approps. (P.L. 109-234)	20,600	—	—	—	—
<i>Total</i>	1,044,366	1,208,198	997,377	1,038,216	1,127,000
Total, Active components	5,824,906	5,586,146	5,051,017	5,423,330	5,352,000

Account	FY2006 Enacted	FY2007 Request	House	Senate	Cont. Res.
<i>Military Construction, Army National Guard</i>	517,919	473,197	512,873	539,804	473,000
Rescissions	—	—	—	(2,129)	—
Emerg. Appropriations. (P.L. 109-148)	374,300	—	—	—	—
Emerg. Appropriations. (P.L. 109-234)	210,071	—	—	—	—
<i>Total</i>	1,102,290	473,197	512,873	537,675	473,000
<i>Military Construction, Air National Guard</i>	312,956	125,788	207,088	252,834	126,000
Rescissions	(13,700)	—	—	—	—
Emerg. Appropriations. (P.L. 109-148)	35,000	—	—	—	—
Emerg. Appropriations. (P.L. 109-234)	5,800	—	—	—	—
<i>Total</i>	340,056	125,788	207,088	252,834	126,000
<i>Military Construction, Army Reserve</i>	151,043	166,487	167,774	191,450	166,000
<i>Total</i>	151,043	166,487	167,774	—	166,000
<i>Military Construction, Naval Reserve</i>	46,395	48,408	55,158	48,408	43,000
Rescissions	(66,090)	—	—	—	—
Emerg. Appropriations. (P.L. 109-148)	120,132	—	—	—	—
Emerg. Appropriations. (P.L. 109-234)	24,270	—	—	—	—
<i>Total</i>	124,707	48,408	55,158	48,408	43,000
<i>Military Construction, Air Force Reserve</i>	104,824	44,936	56,836	44,936	45,000
Rescissions	(13,815)	—	—	—	—
<i>Total</i>	91,009	44,936	56,836	44,936	45,000
Total, Reserve components	1,809,105	858,860	999,729	1,075,303	853,000
Total, Military Construction	7,634,011	6,444,962	6,050,746	6,498,633	6,205,000
NATO Security Investment Program	204,789	220,985	200,985	205,985	204,789
Rescissions	(30,000)	—	—	—	—
<i>Total</i>	174,789	220,985	200,985	205,985	204,789
Family Housing Construction, Army	544,140	594,991	578,791	578,781	579,000
Rescissions	(16,000)	—	—	—	—
<i>Total</i>	528,140	594,991	578,791	578,781	579,000

Account	FY2006 Enacted	FY2007 Request	House	Senate	Cont. Res.
Family Housing Ops and Debt, Army	795,953	676,829	674,657	675,617	671,000
Family Housing Construction, Navy and Marine Corps	216,753	305,071	308,956	305,071	305,000
Emerg. Approps. (P.L. 109-148)	86,165	—	—	—	—
<i>Total</i>	302,918	305,071	308,956	305,071	305,000
Family Housing Ops and Debt, Navy and Marine Corps	582,773	509,126	509,126	498,525	505,000
Emerg. Approps. (P.L. 109-148)	48,889	—	—	—	—
<i>Total</i>	631,662	509,126	509,126	498,525	505,000
Family Housing Construction, Air Force	1,090,868	1,183,138	1,169,138	1,182,138	1,168,000
Rescissions	(43,900)	—	(66,200)	(66,200)	—
Emerg. Approps. (P.L. 109-148)	278,000	—	—	—	—
<i>Total</i>	1,368,868	1,183,138	1,102,938	1,115,938	1,168,000
Family Housing Ops and Debt, Air Force	759,270	755,071	755,071	755,071	750,000
Emerg. Approps. (P.L. 109-148)	47,019	—	—	—	—
<i>Total</i>	806,289	755,071	755,071	755,071	750,000
Family Housing Construction, Defense-wide	0	8,808	8,808	8,808	9,000
Family Housing Ops and Debt, Defense-wide	45,927	48,506	48,506	48,506	49,000
DOD Family Housing Improvement Fund	45,927	57,314	57,314	57,314	45,927
Total, Family Housing	4,482,232	4,092,848	3,998,161	3,997,625	4,081,927
Chemical Demilitarization Construction, Defense-wide	0	130,993	90,993	140,993	131,000
Base Realignment and Closure					
BRAC, 1990	252,279	191,220	216,220	191,220	252,279
BRAC, 2005	1,489,421	5,626,223	5,309,876	5,237,100	2,489,421
<i>Total</i>	1,741,700	5,817,443	5,546,096	5,428,320	2,741,700
Grand Total, MilCon & FH	14,032,732	16,707,231	15,866,981	16,271,556	13,364,416

Table 6b. DOD Basic Allowance for Housing
(budget authority in \$000)

	FY2006 Enacted	FY2007 Request	House	Senate	Cont. Res.
Army	3,880,723	3,715,905	3,687,905	3,715,905	3,880,723
Navy	3,511,570	4,185,061	4,135,061	4,185,061	3,511,570
Marine Corps	1,166,686	1,351,921	1,350,921	1,351,921	1,166,686
Air Force	3,162,073	2,979,327	2,934,327	—	—
Emerg. Approps. (P.L. 109-148)	6,526	—	—	—	—
<i>Total</i>	3,168,599	2,979,327	2,934,362	2,979,327	3,168,599
Army National Guard	444,819	469,109	469,109	469,109	—
Emerg. Approps. (P.L. 109-148)	32,294	—	—	—	—
<i>Total</i>	477,113	469,109	469,109	469,109	477,113
Air National Guard	238,396	277,533	277,533	277,533	—
Emerg. Approps. (P.L. 109-148)	10,289	—	—	—	—
<i>Total</i>	248,685	277,533	277,533	277,533	248,685
Army Reserve	306,642	347,607	347,607	347,607	—
Emerg. Approps. (P.L. 109-148)	361	—	—	—	—
<i>Total</i>	307,003	347,607	347,607	347,607	307,003
Naval Reserve	189,141	208,838	208,838	208,838	—
Emerg. Approps. (P.L. 109-148)	1,053	—	—	—	—
<i>Total</i>	190,194	208,838	208,838	208,838	190,194
Marine Corps Reserve	40,134	43,082	43,082	43,082	40,134
Air Force Reserve	69,357	76,218	76,218	76,218	—
Emerg. Approps. (P.L. 109-148)	85	—	—	—	—
<i>Total</i>	69,442	76,218	76,218	76,218	69,442
<i>Total</i>	13,060,149	13,654,601	13,530,636	13,654,601	13,060,149

Note: Reserve Component (Reserve and National Guard) BAH is not listed as a separate line item in the Senate Committee on Appropriations Report.

Table 6c. DOD Facilities Sustainment, Restoration, & Modernization
(budget authority in \$000)

	FY2006 Enacted	FY2007 Request	House	Senate	Conf.
Army	1,832,607	1,810,774	1,810,774	1,780,774	—
Navy	1,331,521	1,201,313	1,201,313	1,208,313	—
Emerg. Approps. (P.L. 109-148)	215,499	—	—	—	—
<i>Total</i>	1,547,020	1,201,313	1,201,313	1,201,313	—
Marine Corps	548,420	473,141	473,141	473,141	—
Air Force	1,827,246	1,684,019	1,684,019	1,511,019	—
Emerg. Approps. (P.L. 109-148)	69,005	—	—	—	—
<i>Total</i>	1,896,251	1,684,019	1,684,019	1,511,019	—
Defense-Wide	115,731	86,386	86,386	86,386	—
Emerg. Approps. (P.L. 109-148)	5,238	—	—	—	—
<i>Total</i>	120,969	86,386	86,386	86,386	—
Army National Guard	392,579	387,882	387,882	387,882	—
Emerg. Approps. (P.L. 109-148)	49,217	—	—	—	—
<i>Total</i>	441,796	387,882	387,882	387,882	—
Air National Guard	177,993	255,322	255,322	175,122	—
Emerg. Approps. (P.L. 109-148)	13,557	—	—	—	—
<i>Total</i>	191,550	255,322	255,322	175,122	—
Army Reserve	202,326	215,890	215,890	215,890	—
Emerg. Approps. (P.L. 109-148)	1,128	—	—	—	—
<i>Total</i>	203,454	215,890	215,890	215,890	—
Naval Reserve	67,110	52,136	52,136	101,524	—
Emerg. Approps. (P.L. 109-148)	310,024	—	—	—	—
<i>Total</i>	377,134	52,136	52,136	101,524	—
Marine Corps Reserve	10,004	9,579	9,579	9,579	—
Emerg. Approps. (P.L. 109-148)	1,094	—	—	—	—
<i>Total</i>	11,098	9,579	9,579	9,579	—
Air Force Reserve	49,860	59,849	59,849	59,849	—
Emerg. Approps. (P.L. 109-148)	1,917	—	—	—	—
<i>Total</i>	51,777	59,849	59,849	59,849	—
Total	7,222,076	6,236,291	6,236,291	6,009,479	—

Note: Defense-Wide FSRM is not broken out in the Senate report and is estimated.

Table 6d. DOD Environmental Remediation
(budget authority in \$000)

	FY2006 Enacted	FY2007 Request	House	Senate	Conf.
Army	403,786	413,794	413,794	413,794	—
Navy	302,222	304,409	304,409	304,409	—
Air Force	402,396	423,871	423,871	423,871	—
Defense-Wide	27,885	18,431	18,431	18,431	—
Formerly Used Defense Sites (FUDS)	254,352	242,790	257,790	257,790	—
<i>Total</i>	1,390,641	1,403,295	1,418,295	1,418,295	—

Table 6e. DOD Health Program
(budget authority in \$000)

	FY2006 Enacted	FY2007 Request	House	Senate	Conf.
Operation and Maintenance	19,106,789	20,498,163	20,218,205	20,544,605	—
Rescissions	—	—	(40,042)	—	—
Emerg. Approps. (P.L. 109-148)	120,000	—	—	—	—
Emerg. Approps. (P.L. 109-148)	172,958	—	—	—	—
<i>Total</i>	19,399,747	20,498,163	20,178,163	20,544,605	—
Procurement	375,328	396,355	402,855	397,355	—
Emerg. Approps. (P.L. 109-148)	28,592	—	—	—	—
<i>Total</i>	403,920	396,355	402,855	397,355	—
Research and Development	536,883	130,603	444,103	467,903	—
<i>Total, Defense Health</i>	20,340,550	21,025,121	21,025,121	21,409,863	—

Table 6f. DOD Military Totals
(budget authority in \$000)

Account	FY2005 Enacted	FY2006 Request	House	Senate	Conf.
Total, Department of Defense, Military					
New Budget Authority	56,046,148	59,026,539	58,077,324	58,763,794	—

Table 7. Related Agencies
(budget authority in \$000)

Account	FY2006 Enacted	FY2007 Request	House	Senate	Conf.
American Battle Monuments Commission					
Salaries and Expenses	35,888	35,838	37,088	37,088	37,000
Foreign Currency Fluctuations	15,098	4,900	4,900	4,900	5,000
<i>Total</i>	50,986	40,738	41,988	41,988	42,000
U.S. Court of Appeals for Veterans Claims					
Salaries and Expenses	18,607	19,790	19,790	19,790	20,100
Department of Defense-Civil					
<i>Cemeterial Expenses, Army</i>	28,760	26,550	26,550	26,550	28,760
Armed Forces Retirement Home					
Operation and Maintenance	56,463	54,846	54,846	54,846	—
Capital Program	1,236	—	—	—	—
Emerg. Approps. (P.L. 109-148)	65,800	—	—	—	—
Emerg. Approps. (P.L. 109-234)	176,000	—	—	—	—
<i>Total</i>	299,499	54,846	54,846	54,846	299,499
<i>Total, Agencies</i>	397,852	141,924	143,174	143,174	390,359

Appendix B. Additional Resources

Budget

CRS Report RL30002, *A Defense Budget Primer*, by Mary T. Tyszkiewicz and Stephen Daggett.

CRS Report 98-720, *Manual on the Federal Budget Process*, by Robert Keith and Allen Schick.

Selected Websites

House Committee on Appropriations
[<http://appropriations.house.gov/>]

Senate Committee on Appropriations
[<http://appropriations.senate.gov/>]

House Committee on Armed Services
[<http://www.house.gov/hasc/>]

Senate Committee on Armed Services
[<http://armed-services.senate.gov/>]

House Committee on Veterans Affairs
[<http://veterans.house.gov/>]

Senate Committee on Veterans Affairs
[<http://veterans.senate.gov/>]

Commission on Review of Overseas Military Facility Structure of the United States
(Overseas Basing Commission)
[<http://www.obc.gov/>]

CRS Appropriations Products Guide
[<http://www.crs.gov/products/appropriations/apppage.shtml>]

CRS Multimedia Library
[<http://www.crs.gov/products/multimedia/multimedialibrary.shtml>]

Congressional Budget Office
[<http://www.cbo.gov/>]

Defense Base Closure and Realignment Commission (BRAC Commission)
[<http://www.brac.gov>]

Government Accountability Office
[<http://www.gao.gov/>]