

House Appropriations Committee

Chairman Hal Rogers

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Conference Report Summary: Fiscal Year 2017 Military Construction and Veterans Affairs Legislation

Bill will fund programs for our troops, military families, defense infrastructure and veterans

The final conference report on the fiscal year 2017 Military and Veterans Affairs Appropriations legislation contains funding to house, train, and equip military personnel, provide housing and services to military families, and help maintain base infrastructure. The bill also funds veterans' benefits and programs.

In total, the legislation provides \$82.5 billion in discretionary funding – \$2.6 billion above the fiscal year 2016 level.

Within this total, funding for the Department of Veterans Affairs (VA) is increased by 4 percent over the fiscal year 2016 level – including additional funding to address management problems and health care shortages, and to improve the speed, efficiency, and effectiveness of its services to veterans. Of this funding, \$63.3 billion was provided via an advance in the fiscal year 2016 appropriations bill.

Military construction is increased by \$282 million over the President's request, fully funding family housing, construction of hospitals and health facilities, and critical overseas investments.

Bill Highlights:

The bill totals \$82.5 billion – \$2.6 billion above the fiscal year 2016 level and \$372 million below the President's budget request.

Military Construction – The bill provides a total of \$7.9 billion for military construction projects – a decrease of \$273 million below the enacted fiscal year 2016 level and \$282 million above the President's request. The decrease is primarily due to Department of Defense (DOD) decisions to prioritize readiness activities.

This includes funds for large and small construction and renovation projects on military bases within the U.S. and around the globe. Of the total amount provided for military construction, \$172 million is provided for Overseas Contingency Operations (OCO), including European Reassurance Initiative and counterterrorism projects.

- **Military Family Housing** – The bill provides \$1.27 billion to fund construction, operation and maintenance of military family housing for fiscal year 2017. This is \$128 million below the fiscal year 2016 level and \$44 million below the budget request. The funding will ensure quality housing is sustained for all 1,388,028 military families currently served by the program.

- **Military Medical Facilities** – The bill includes \$304 million for construction and alterations for new or existing military medical facilities, which is the same level as the President’s budget request and a decrease of \$303 million below the fiscal year 2016 enacted level. This funding will allow for continued support and care for 9.8 million eligible beneficiaries, including our wounded troops abroad.
- **DOD Education Facilities** – The bill includes \$246 million for essential safety improvements and infrastructure work at four DOD Education Activities facilities located within the U.S. and overseas.
- **Guard and Reserve** – The bill includes \$673 million for construction or alteration of Guard and Reserve facilities in 21 states, an increase of \$122 million above the fiscal year 2016 enacted level.
- **NATO Security Investment Program (NSIP)** – The bill provides \$178 million – the same as the President’s request and \$43 million above fiscal year 2016 – for infrastructure necessary for wartime, crisis, and peace support and deterrence operations, and training requirements. The funds will support responses to the challenges posed by Russia and to the risks and threats emanating from the Middle East and North Africa.
- **Guantanamo Bay** – The legislation continues language to prohibit the closure of the Guantanamo Bay Naval Station and a provision to prohibit funding for any facility within the U.S. to house detainees.

Veterans Affairs (VA) – The legislation includes a total of \$176.9 billion in both discretionary and mandatory funding for the Department of Veterans Affairs, an increase of \$14.2 billion, or 9 percent, above the fiscal year 2016 level. This funding will help address many of the problems currently facing the VA, and provide for better and increased access to care for our veterans.

Discretionary funding alone for VA programs in the bill totals \$74.4 billion, an increase of \$2.9 billion, or 4 percent, above the fiscal year 2016 level. Approximately \$63.3 billion of this discretionary total was provided last year via advance funding in the fiscal year 2016 Appropriations Act.

Oversight – Due to troubling mismanagement reports at the VA, a recent history of wasteful spending, and to increase the efficiency and quality of care to our veterans, the legislation includes significant oversight and accountability provisions. Some of these provisions include: limiting transfers between construction projects; increased reporting on bid savings; limiting changes in the scope of construction projects; requiring that large construction projects be managed by outside entities such as the Army Corps of Engineers; and restricting the agency from taking certain spending actions without notifying Congress.

The agreement includes significant new whistleblower protections, to guard against reprisal and ensure consistent and fair treatment of whistleblowers. In addition, the bill increases funding for the VA Inspector General by \$23 million – 17 percent – over the current levels to ensure resources are available for additional investigations and a higher workload. Also included are provisions to ensure safe opioid practices.

- **VA Medical Services** – The bill funds VA medical services at \$52.8 billion – providing for approximately 7 million patients to be treated in fiscal year 2017. Within this total, funding includes: \$7.9 billion in mental health care services; \$173 million in suicide prevention activities;

\$284 million for traumatic brain injury treatment; \$7.3 billion in homeless veterans treatment, services, housing, and job training; and \$250 million in rural health initiatives.

Further, the bill provides an additional \$1.1 billion in fiscal year 2017 funding, the full amount requested, to address health care needs such as treatment of hepatitis C, long-term care for veterans, support services for caregivers of veterans, and to fight homelessness among veterans and their families. The total amount provided for hepatitis C treatment is \$1.5 billion, as requested, which will treat more than 70,000 affected veterans.

- **VA Electronic Health Record** – The bill contains \$260 million for the modernization of the VA electronic health record system. To help ensure our veterans get proper care through the timely and accurate exchange of medical data between the VA, DOD, and the private sector, the bill includes language restricting funding until the VA has certified interoperability of the system with DOD, and requires that the VA meet milestones regarding functionality and management.
- **Disability Claims Processing Backlog** – The bill provides \$2.9 billion for the processing of claims, which is a \$148 million increase over the fiscal year 2016 level and \$30 million over the request. This funding includes \$180 million for the paperless claims processing system, \$153 million for digital scanning of health records, and \$27 million for centralized mail. For the Board of Veterans Appeals, \$156 million, a \$46 million increase over the fiscal year 2016 level, is included to support 242 new staff to tackle claims appeals, which have been ballooning as the number of claims decisions has increased.

The bill also continues rigorous reporting requirements to track each regional office's performance on claims processing.

- **VA Mandatory Funding** – The bill fulfills mandatory funding requirements such as: veteran disability compensation programs for 4.8 million veterans and their survivors; education benefits for nearly 1.1 million veterans; and vocational rehabilitation and employment training for more than 140,000 veterans.
- **Advance Appropriations** – The bill contains \$66.4 billion in advance fiscal year 2018 funding for veterans' medical programs – the same level as the President's request. This funding will provide for medical services, medical support and compliance, and medical facilities, and ensure that our veterans have continued, full access to their medical care needs. The bill includes \$103.9 billion in advance funding for VA mandatory benefit programs, as requested in the President's budget.

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