

# CRS Report for Congress

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

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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 [\[http://beta.crs.gov/cli/cli.aspx?PRDS\\_CLI\\_ITEM\\_ID=2349\]](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 underwent significant change with the beginning of the 109<sup>th</sup> Congress. As a result, 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, rest 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 lies with 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. 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 the current BRAC round have drawn committee attention during the appropriation process. In addition, recapitalization of real property infrastructure, NATO's use of the infrastructure funding provided by its member states, and the provision of additional construction appropriations for unspecified use in contingency operations related to the global war on terrorism are discussed in the context of the approximately \$58.9 billion defense appropriations request.
- **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 billion) of the VA appropriation of approximately \$71 billion for FY2006.
- **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. On May 10, 2006, the House Appropriations Committee recommended \$32.7 billion for veterans health programs for FY2007, an 11.4% increase over the FY2006 enacted amount. The Committee did not recommend any fee increases as requested by the President's FY2007 budget proposal.

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# 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.

**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 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).

## Status of Legislation

**Table 1a. Status of FY2007 Military Construction, Military Quality of Life and Veterans Affairs Appropriations (H.R. 2528)**

Committee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
5/4/06	—	H.Rept. 109-464	—	—	—	—	—	—	—

**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	—	H.Rept. 109-452	—	S.Rept. 109-254	—	—	—	—	—

## Summary and Key Issues

### Realignment of Appropriations Subcommittee Jurisdictions

**House.** During the first session of the 109<sup>th</sup> 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 was dissolved and 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 were transferred 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 by the 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.<sup>1</sup>

## **Title I: Department of Defense**

### **Military Construction**

**Military Base Realignments and Closures.**<sup>2</sup> 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 end of September 2011, according to the Department of Defense.

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.

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<sup>1</sup> See Tim Starks, "Bill Targets Veterans' Funding Shortfall," *CQ Weekly* (November 18, 2005), p. 3136.

<sup>2</sup> 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*.

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 is 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 recommended \$216.2 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, the Department of Defense 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.

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.

***Impact of Military Redeployments on Local Schools.*** Unit and function movements associated with BRAC and the associated Integrated Global Presence and Basing Strategy (IGPBS)<sup>3</sup> 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.

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<sup>3</sup> 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.

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.

**Rescissions.** The House Committee on Appropriations recommended that \$194.3 million in previous-year military construction appropriations be rescinded due to favorable contract bids, the cancellation or delay of some construction projects.

**Recapitalization.** In 2001, the Department of Defense estimated its existing recapitalization rate at 192 years.<sup>4</sup> 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 Gone, the Deputy Undersecretary of Defense for Installations and Environment, stated that the current 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.”<sup>5</sup>

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<sup>4</sup> 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).

<sup>5</sup> House, *Military Quality of Life and Veterans Affairs, and Related Agencies Appropriations* (continued...)

The President requested \$221.0 million for the NSIP for FY2007, while the House Committee on Appropriations recommended \$201.0 million.

**Additional Appropriations.** 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 are 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.”<sup>6</sup>

**Table 2. Additional Appropriations, 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.

## Title II: Department of Veterans Affairs

**Table 3. Department of Veterans Affairs Appropriations, FY2000-FY2006**

(budget authority in billions)

	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
<b>VA</b>	\$46.04	\$47.95	\$52.38	\$58.10	\$61.84	\$65.84	\$70.87

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

<sup>5</sup> (...continued)

*Bill, 2007, 109<sup>th</sup> Cong., 2<sup>nd</sup> Sess., 2006, H.Rept. 109-464, p. 27.*

<sup>6</sup> House, *Military Quality of Life*, p. 69.

## 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 4. Appropriations: Department of Veterans Affairs,  
FY2006-FY2007**

(budget authority in billions)

Program	FY2006 enacted	FY2007 request	FY2007 House Approp Comm.	FY2007 Senate	FY2007 Conf
<b>Total: (VA)</b>	<b>\$70.872</b>	<b>\$77.909</b>	<b>\$77.909</b>		
Compens., pension, burial	\$33.898	\$38.007	\$38.007		
Readjustment benefits	3.309	3.262	3.262		
Insurance/indemnities	0.046	0.050	0.050		
Housing prog. (net, indef.)	-0.047 <sup>a</sup>	0.097	0.097		
<i>Subtotal: Mandatory</i>	<i>\$37.206</i>	<i>\$41.416</i>	<i>\$41.416</i>		
Medical services	21.322	25.512	25.412		
Emerg. funding	1.225	—	—		
Emerg. funding (P.L. 109-148)	0.225	—	—		
Medical administration	2.858	3.177	3.277		
Medical facilities	3.298	3.569	3.594		
Med. & prosthetic research	0.412	0.399	0.412		
Med. care collection fund <sup>b</sup>					
(offsetting receipts)	-2.170	-2.329	-2.329		
(approps. indefinite)	2.170	2.329	2.329		
<i>Subtotal: Med. programs &amp; admin. (appropriations)</i>	<i>29.341</i>	<i>32.657</i>	<i>32.695</i>		

Program	FY2006 enacted	FY2007 request	FY2007 House Approp Comm.	FY2007 Senate	FY2007 Conf
<i>Total available to VHA</i>	31.511	34.986	35.024		
Gen. admin. exp. (total)	1.411	1.481	1.481		
Emerg. funding (P.L. 109-148)	0.025	—	—		
Information technology	1.214	1.257	1.302		
Nat'l Cemetery Admin.	0.156	0.161	0.161		
Emerg. funding (P.L. 109-148)	<sup>c</sup>	—	—		
Inspector General	0.070	0.069	0.069		
Construction	0.806	0.597	0.494		
Emerg. funding (P.L. 109-148)	0.369	—	—		
Grants; state facilities	0.085	0.085	0.105		
State veteran cemeteries	0.032	0.032	0.032		
Housing & other loan admin.	0.155	0.154	0.154		
<i>Subtotal: Discretionary</i>	<i>\$33.666</i>	<i>\$36.493</i>	<i>\$36.493</i>		

**Source:** Table prepared by the Congressional Research Service based on H.Rept. 109-464.

- 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 4**). This would be an increase of \$7.0 billion, or 9.9%, over the FY2006 total including the supplemental appropriations. Another supplemental appropriations bill (H.R. 4939) that would add FY2006 funds for construction of a replacement for the VA Medical Center in New Orleans is currently in conference.<sup>7</sup>

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<sup>7</sup> 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.

Although the Senate passed its version of the budget resolution for FY2007 (S.Con.Res. 83) on March 16, 2006, the House has not yet passed H.Con.Res 376 which was reported (H.Rept. 109-402) by the House Budget Committee on March 31, 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-reported 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 including about the same amount as requested for VA on May 10, 2006. The bill 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 has not yet announced its proposed subcommittee allocations 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 \$39.7 billion in FY2005 and is projected at \$39.2 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.

Out of concern for the disparity in the amounts of disability compensation awarded to veterans living in different regions of the country, the Senate passed an amendment on September 22, 2005, to instruct the VA to conduct a veterans disability compensation information campaign in states with an average annual disability compensation payment of less than \$7,300. The conference report included this provision in §228.<sup>8</sup> In response to this provision, VA is conducting outreach efforts in Illinois, Indiana, Michigan, Ohio, New Jersey, and Connecticut.

## 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

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<sup>8</sup> House, *Making Appropriations for Military Quality of Life Functions of the Department of Defense, Military Construction, the Department of Veterans Affairs, and Related Agencies for the Fiscal Year ending September 30, 2006, and for Other Purposes*, 109<sup>th</sup> Cong., 2<sup>nd</sup> Sess., 2006, H.Rept. 109-305, p. 22.

community-based outpatient clinics (CBOCs).<sup>9</sup> 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 those veterans receiving treatment for nonservice-connected conditions for the entire co-payment amount.

On May 10, 2006, the House Appropriations Committee recommended \$32.7 billion for VHA for FY2007, a 11.4% increase over the FY2006 enacted amount of \$29.3 billion, and about the same as the President's request. This amount includes \$25.4 billion for medical services, \$100 million less than the President's request and \$2.6 billion (11.6%) over the FY2006 enacted amount of \$22.8 billion. The Committee recommendation also includes \$3.3 billion for medical administration, \$100 million above the Administration's request of \$3.2 billion; \$3.6 billion for medical facilities; and \$412 million for medical and prosthetic research, a 3.2% increase over the President's request of \$399 million. The Committee **did not** recommend any fee increases as requested by the Administration's budget proposal for VHA for FY2007.

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

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<sup>9</sup> 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.



## 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.

Congress required the AFRH to consider alternative paths to future. The Home forwarded its special report with Congress on February 28, 2006, proposing five options for future planning:

Option 1: Renewal of the Gulfport facility. This plan would restore the existing tower, though with modifications to enhance its use by the disabled and better protect it against future storms.

Option 2: Replacement of the Gulfport campus. This requires the damaged existing tower to be torn down and replaced with a new Americans with Disabilities Act-compliant facility also designed to be more resistant to storm damage.

Option 3: Surrender the Gulfport site to use by another federal agency: The preferred agency would be the Department of Defense, with its future use envisioned as a military recreation site (the land lies within a few yards of the Gulf of Mexico). AFRH would retain title and maintain the site.

Option 4: Reposition the AFRH: In this option, the Home would close and dispose of the Gulfport site and focus its operations on its Washington location. The AFRH would maintain the site until disposal.

Option 5: Immediately sell the Gulfport site.

Options 3 through 5 would establish funding that could eliminate the \$0.50 per month military pay contribution. The Home would also consider establishing a new location or locations elsewhere in the country. One recommendation under consideration would reconstitute the Home as an independent nonprofit corporation, requiring the repeal the 1991 act establishing it under Department of Defense supervision and enabling the Home's management to engage in outside fundraising activities.

## Appendix A. Consolidated Funding Tables

**Table 5a. DOD Military Construction**  
(budget authority in \$000)

Account	FY2006 Enacted	FY2007 Request	House	Senate	Conf.
<i>Military Construction, Army</i>	1,757,507	2,059,762	1,756,298	—	—
Rescissions	(19,746)	—	(43,348)	—	—
<i>Total</i>	1,737,761	2,059,762	1,712,950	—	—
<i>Military Construction, Navy and Marine Corps</i>	1,145,570	1,162,038	1,193,834	—	—
Rescissions	(50,037)	—	(38,000)	—	—
Emerg. Approps. (P.L. 109-148)	291,219	—	—	—	—
<i>Total</i>	1,386,752	1,162,038	1,155,834	—	—
<i>Military Construction, Air Force</i>	1,275,645	1,156,148	1,187,550	—	—
Rescissions	(29,100)	—	(2,694)	—	—
Emerg. Approps. (P.L. 109-148)	52,612	—	—	—	—
<i>Total</i>	1,299,157	1,156,148	1,184,856	—	—
<i>Military Construction, Defense- wide</i>	998,766	1,208,198	1,107,606	—	—
Rescissions	(20,000)	—	(110,229)	—	—
Emerg. Approps. (P.L. 109-148)	45,000	—	—	—	—
<i>Total</i>	1,023,766	1,208,198	997,377	—	—
<b><i>Total, Active components</i></b>	5,447,436	5,586,146	5,051,017	—	—
<i>Military Construction, Army National Guard</i>	517,919	473,197	512,873	—	—
Emerg. Approps. (P.L. 109-148)	374,300	—	—	—	—
<i>Total</i>	892,219	473,197	512,873	—	—
<i>Military Construction, Air National Guard</i>	312,956	125,788	207,088	—	—
Rescissions	(13,700)	—	—	—	—
Emerg. Approps. (P.L. 109-148)	35,000	—	—	—	—
<i>Total</i>	334,256	125,788	207,088	—	—
<i>Military Construction, Army Reserve</i>	151,043	166,487	167,774	—	—

<b>Account</b>	<b>FY2006 Enacted</b>	<b>FY2007 Request</b>	<b>House</b>	<b>Senate</b>	<b>Conf.</b>
<i>Total</i>	151,043	166,487	167,774	—	—
<i>Military Construction, Naval Reserve</i>	46,395	48,408	55,158	—	—
Rescissions	(16,560)	—	—	—	—
Emerg. Approps. (P.L. 109-148)	120,132	—	—	—	—
<i>Total</i>	149,967	48,408	55,158	—	—
<i>Military Construction, Air Force Reserve</i>	104,824	44,936	56,836	—	—
Rescissions	(13,815)	—	—	—	—
<i>Total</i>	91,009	44,936	56,836	—	—
<b>Total, Reserve components</b>	1,618,494	858,816	999,729	—	—
<b>Total, Military Construction</b>	<b>7,065,930</b>	<b>6,444,962</b>	<b>6,050,746</b>	—	—
<b>NATO Security Investment Program</b>	204,789	220,985	200,985	—	—
Rescissions	(30,000)	—	—	—	—
<i>Total</i>	174,789	220,985	200,985	—	—
Family Housing Construction, Army	544,140	594,991	578,791	—	—
Rescissions	(16,000)	—	—	—	—
<i>Total</i>	528,140	594,991	578,791	—	—
Family Housing Ops and Debt, Army	795,953	676,829	674,657	—	—
Family Housing Construction, Navy and Marine Corps	216,753	305,071	308,956	—	—
Emerg. Approps. (P.L. 109-148)	86,165	—	—	—	—
<i>Total</i>	302,918	305,071	308,956	—	—
Family Housing Ops and Debt, Navy and Marine Corps	582,773	509,126	509,126	—	—
Emerg. Approps. (P.L. 109-148)	48,889	—	—	—	—
<i>Total</i>	631,662	509,126	509,126	—	—
Family Housing Construction, Air Force	1,090,868	1,183,138	1,169,138	—	—
Rescissions	(43,900)	—	(66,200)	—	—
Emerg. Approps. (P.L. 109-148)	278,000	—	—	—	—
<i>Total</i>	1,324,968	1,183,138	1,102,938	—	—
Family Housing Ops and Debt, Air Force	759,270	755,071	755,071	—	—

<b>Account</b>	<b>FY2006 Enacted</b>	<b>FY2007 Request</b>	<b>House</b>	<b>Senate</b>	<b>Conf.</b>
Emerg. Approps. (P.L. 109-148)	47,019	—	—	—	—
<i>Total</i>	806,289	755,071	755,071	—	—
Family Housing Construction, Defense-wide	0	8,808	8,808	—	—
Family Housing Ops and Debt, Defense-wide	45,927	48,506	48,506	—	—
DOD Family Housing Improvement Fund	2,475	2,500	2,500	—	—
<b>Total, Family Housing</b>	<b>4,438,332</b>	<b>4,084,040</b>	<b>3,989,353</b>	—	—
<b>Chemical Demilitarization Construction, Defense-wide</b>	0	130,993	90,993	—	—
<b>Base Realignment and Closure</b>					
BRAC, 1990	252,279	191,220	216,220	—	—
BRAC, 2005	1,489,421	5,626,223	5,309,876	—	—
<i>Total</i>	1,741,700	5,817,443	5,526,096	—	—
<b>Grand Total, MilCon &amp; FH</b>	<b>13,420,751</b>	<b>16,698,423</b>	<b>15,858,173</b>	—	—

**Table 5b. DOD Basic Allowance for Housing**  
(budget authority in \$000)

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

**Table 5c. DOD Facilities Sustainment, Restoration, & Modernization**  
(budget authority in \$000)

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

**Table 5d. DOD Environmental Remediation**  
(budget authority in \$000)

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

**Table 5e. DOD Health Program**  
(budget authority in \$000)

Account	FY2006 Enacted	FY2007 Request	House	Senate	Conf.
Operation and Maintenance	19,106,789	20,498,163	20,218,205	—	—
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	—	—
Procurement	375,328	396,355	402,855	—	—
Emerg. Approps. (P.L. 109-148)	28,592	—	—	—	—
<i>Total</i>	403,920	396,355	402,855	—	—
Research and Development	536,883	130,603	444,103	—	—
<i>Total, Defense Health</i>	20,340,550	21,025,121	21,025,121	—	—

**Table 5f. DOD Totals**  
(budget authority in \$000)

Account	FY2005 Enacted	FY2006 Request	House	Senate	Conf.
<b>Total, Department of Defense</b>					
New Budget Authority	??	??	??	—	—



**Table 6. Related Agencies**  
(budget authority in \$000)

Account	FY2006 Enacted	FY2007 Request	House	Senate	Conf.
<b>American Battle Monuments Commission</b>					
Salaries and Expenses	35,888	35,838	37,088	—	—
Foreign Currency Fluctuations	15,098	4,900	4,900	—	—
<i>Total</i>	50,986	40,738	41,988	—	—
<b>U.S. Court of Appeals for Veterans Claims</b>					
Salaries and Expenses	18,607	19,790	19,790	—	—
<b>Department of Defense-Civil</b>					
<i>Cemeterial Expenses, Army</i>	28,760	26,550	26,550	—	—
<i>Armed Forces Retirement Home</i>				—	—
Operation and Maintenance	56,463	54,846	54,846	—	—
Capital Program	1,236	—	—	—	—
Emerg. Approp.	65,800	—	—	—	—
<i>Total</i>	123,499	54,846	54,846	—	—
<i>Total, Agencies</i>	221,852	141,924	143,174	—	—

**Table 7. Grand Total**  
(budget authority in \$000)

Account	FY2006 Enacted	FY2007 Request	House	Senate	Conf.
<b>Grand Total, All Titles</b>					
New Budget Authority	\$126,527,932	\$136,944,452	\$136,120,466	—	—
Appropriations	(\$122,450,181)	(\$136,944,452)	(\$136,420,979)	—	—
Emergency Appropriations	(\$4,330,609)	—	—	—	—
Rescissions	(\$252,858)	—	(\$300,513)	—	—

**Note:** House figures include *Additional Appropriations* noted in **Table 2**, above.

## **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/>]