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Appropriations Policy Brief
H.R. 2642—Iraq/Afghanistan Appropriations Bill

BY THE NUMBERS:

In millions

	Request	House
Amendment 1, FY 2008 Funding	100,054	99,506
Amendment 1, FY 2009 Funding	66,063	65,921
Amendment 2, FY 2008 Funding	11,997	15,314
Amendment 2, FY 2009 Funding	5,761	5,761
Amendment 2, 2008—2018 Mandatory Spending	0	74,221
Total	183,875	260,723

Background: The President requested \$189.3 billion in FY 2008 DoD emergency spending to fund operations in Iraq and Afghanistan. To date, \$86.8 billion has been appropriated, and designated as emergency spending—\$16.8 for Mine Resistant Ambush Protected (MRAP) vehicles and an additional \$70 billion was provided in the [FY 2008 omnibus](#).

The two amendments to H.R. 2642 would fulfill most of the outstanding portions of the FY 2008 request, provide \$66 billion for FY 2009, add \$21 billion of additional discretionary spending for FY 2008 and FY 2009 combined, and increase entitlement spending by \$74.2 billion (*not* counting the potential \$41 billion ten-year cost of delaying six Medicaid regulations). **Total spending, for both amendments, would amount to \$260.7 billion—\$76.8 billion or 41.8% above the President's request.**

Budget Compliance: The legislation designates the entire amount of discretionary funding as emergency spending to avoid the \$954 billion discretionary cap set by the budget resolution (S.Con.Res. 70). The budget resolution set no limit on emergency spending. The bill violates the PAYGO principle by not offsetting the \$71 billion cost of the unemployment compensation benefits or the GI benefit.

Process: Members will be voting on two amendments to the House-passed FY 2008 Military Construction-Veterans Appropriations bill. The first amendment is the Senate-passed amendment to H.R. 2642 that provides \$165 billion in war funding for FY 2008 and FY 2009. The second amendment adds \$21 billion for other discretionary spending and \$74 billion over eleven years in entitlement spending for GI benefits and an extension of unemployment compensation benefits. The two amendments are analyzed further below.

Amendment 1: Senate-Passed War Funding

Funding Levels:

In millions

FY 08, Department of Defense	99,506
FY 09, Department of Defense	65,921
Total	165,427*

**Note:* Amendment 2 would reduce this total funding by \$3.58 billion

Items of Note:

“Prohibition of Permanent Bases in Iraq”: Prohibits funds from being used to “establish any military installation or base for the purpose of providing for the permanent stationing of United States Armed Forces in Iraq” or to “exercise United States control over any oil resource of Iraq.”

Iraq Withdrawal: The supplemental does NOT contain language regarding the withdrawal of U.S. troops from Iraq.

Amendment 2: Other Discretionary and Entitlement Spending

Title I: Funding Levels FY 2008:

In millions

	Request	Amendment 2
Chapter 1		
Foreign Agriculture Service	745	850
Chapter 2		
Office of Inspector General	0	4
General Legal Activities	4	2
United States Attorneys	5	5
United States Marshals Service	15	29
FBI	140	106
DEA	8	30
ATF	4	4
Federal Prison System	9	9
Chapter 3		
Defense, Military Construction	2,011	2,755
Family House Construction, Navy and Marine	12	12
Base Realignment and Closure Account 2005	415	1,279
Department of Veterans Affairs	0	516
Chapter 4		
State, Administration of Foreign Affairs	1,868	1,553
State, International Organizations	387	440
International Broadcasting Operations	0	2

Bilateral Economic Assistance	2,050	2,393
Democracy Fund	0	76
International Narcotics	734	776
Migration and Refugee Assistance	30	315
U.S. Emergency Refugee and Migration Assistance	0	31
Nonproliferation, Anti-terrorism, and related	5	14
Foreign Military Financing Program	0	138
Total	8,393	11,339

Title I: Funding Levels FY 2009—Bridge Fund Supplemental Appropriations:

In millions

	Request	Amendment 2
Foreign Agricultural Service	395	395
FBI	0	83
Department of State	1,121	1,088
International Broadcasting Operations	0	6
Bilateral Economic Assistance	1,838	1,694
International Narcotics	225	199
Migration and Refugee Assistance	191	350
Nonproliferation, Anti-terrorism, and related	0	5
Foreign Military Financing Program	170	303
Peacekeeping Operations	60	95
Total	3,605	4,218

Title II: Funding Levels FY 2008:

In millions

	Request	Amendment 2
Chapter 1		
USDA	0	150
Chapter 2		
Department of Commerce, Census	0	210
Federal Prison System	0	178
NASA	0	63
National Science Foundation	0	63
Chapter 3		
Office of Science	0	63
Defense Environmental Cleanup	0	63
Chapter 4		
Employment and Training Administration	0	110
NIH	0	150
Total	0	1,113

Title III: Funding Levels FY 2008, FY 2009:

In millions

	Request	Amendment 2
Chapter 1		
Farm Service Agency	0	89
Emergency Watershed Protection Program	0	390
Chapter 2		
Corps of Engineers (FY 2009)	5,761	5,761
Chapter 3		
Small Business	0	267
Chapter 4		
FEMA, Disaster Relief	0	1,297
Chapter 5		
HUD, Permanent Supportive Housing	0	73
Total	5,761	7,877

Title IV—Emergency Unemployment Compensation:

Title IV creates a temporary program to extend unemployment benefits beyond the 26 weeks provided under current law for individuals (in all states) who have exhausted their regular unemployment compensation benefit. The extension would be for the lesser of thirteen weeks or half the duration of their regular unemployment benefits. The amount of the weekly benefit provided by Title IV would equal the benefit under the regular unemployment compensation program. An individual whose regular benefit was exhausted on or after May 1, 2007, would qualify for the extended benefits. The program would terminate on April 1, 2009.

Title IV differs from [H.R. 5749](#) in two important respects. First, it limits the extension to a total of 13 weeks (instead of a potential 26 weeks in H.R. 5749) and places a twenty-week work requirement to receive benefits under the extension program. According to CBO, Title IV increases spending by \$11.5 billion over eleven years and revenue by \$3.3 billion over eleven years.

Title V—Educational Assistance:

Provides \$62.8 billion over eleven years for veterans' educational assistance. Specifically, the new entitlement provides up to 36 months in lump-sum tuition payments equal to the highest in-state tuition rate in each state, a monthly housing stipend, and a \$1,000 annual stipend for books. The benefit would vary by the institution and the state, but the Pentagon estimates that it would provide a monthly benefit of approximately \$2,400—a 117% increase over the current MGIB allowance. Those individuals serving an aggregate of at least 36 months commencing on or after September 11, 2001, or who have been discharged for a service-connected disability after 30 continuous days, would be eligible for the full entitlement. These individuals would also be eligible for a "Yellow Ribbon G.I. Education Enhancement Program" if the tuition payments failed to cover the full cost of their chosen

school. The Department of Veterans Affairs and the institution would split the remaining cost. A proportionally smaller entitlement would be extended to those on active duty for less time, so long as the individual serves an aggregate of 90 days after September 11, 2001.

Keeps the current MGIB program in place at current levels but creates an *alternative* entitlement program for those who have served post-September 11, 2001. Also provides up to \$1,200 in tutorial assistance to eligible individuals, up to \$2,000 to pay for one licensing or certification test, and certain supplemental education services. Individuals would have up to 15 years after the individual's release from active duty to take advantage of these new benefits.

The bill prohibits individuals from receiving educational assistance and other current MGIB programs concurrently. Instead, each individual would elect which program to receive educational assistance from. For those electing to transition from the current MGIB program, the bill would refund individuals for their current enrollment contributions. The bill does not require an enrollment contribution.

The main difference between Title V of this amendment and the previous House-passed supplemental is that Title V allows members of the armed services to transfer their benefits to their spouse or children, which increases the cost of the benefit by \$11.2 billion. For more information, see [this](#) RSC Policy Brief.

Title VI—Accountability and Transparency in Government Contracting:

This title includes the text of two House-passed bills, [H.R. 5712](#) (Close the Contractor Fraud Loophole Act) and [H.R. 3928](#) (Government Funding Transparency Act of 2008).

Title VII—Medicaid:

This title is similar to the House-passed version of H.R. 5613. That legislation, among other things, blocks seven CMS Medicaid regulations which would otherwise save taxpayers \$42 billion over ten years. For more information, see the RSC Legislative Bulletin [here](#).

This title would block six of the seven regulations (it does not block the outpatient hospital regulation) included in H.R. 5613. The six regulations that are included in Title VII of this amendment would save \$41 billion over ten years.

Title VIII—General Provisions:

Reduces by *\$3.58 billion* Department of Defense funding provided by Amendment 1. This reduction would be applied proportionately to funding for Procurement; Research, Development and Test Evaluation; and Defense Working Capital.

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