



Staff Contact: Brad Watson (x69719)

July 30, 2008

Appropriations Policy Brief

H.R. 6599 — Military Construction and Veterans Affairs Appropriations Act for FY 2009

BY THE NUMBERS:

In Millions of Dollars

	FY08	FY09 Bush Request	FY09 Committee	Cmte v. Request	Cmte v. FY08
Appropriations	63,905	69,346	72,729	3,383	8,824
Emergency Approps	0	0	0	0	0
TOTAL	63,905	69,346	72,729	3,383	8,824

Excluding Emergency Appropriations, the Committee Bill is:

- **\$8.8 billion or 13.8% more than last year**
- **\$3.4 billion or 4.9% more than the President requested**

Spending Discussion: Though H.R. 6599 is the first FY 2009 spending bill to be considered by the House, the Appropriations Committee has approved 302(b) allocations for the twelve FY 2009 appropriations bills that will lead to an overall funding level of \$1.013 trillion through the regular appropriations process. This is a \$72 billion or 7.7% increase compared to last year and a \$24 billion increase compared to the President's request. Each of the twelve bills would receive a spending increase ranging from 4.9% to 13.8% (for this bill).

Budget Compliance: According to CBO, the bill fits within the 302(b) allocation for budget authority of the Military Construction and Veterans Affairs Appropriations Subcommittee. However, H.R. 6599 does exceed the allocation for outlays by \$2 million.

Earmarks:

P. 65-92 of the committee report contains a list of earmarks. According to Citizens Against Government Waste (CAGW), the committee report includes 102 earmarks at a cost to taxpayers of \$621.3 million.

Since these earmarks are not included in the bill text, [Executive Order 13457](#) would be applicable. However, throughout the bill, there is language that incorporates the earmarks into the text by reference. This executive order states in part:

For appropriations laws and other legislation enacted after the date of this order, executive agencies should not commit, obligate, or expend funds on the basis of earmarks included in any non-statutory source, including requests in reports of committees of the Congress or other congressional documents, or communications from or on behalf of Members of Congress, or any other non-statutory source, except when required by law or when an agency has itself determined a project, program, activity, grant, or other transaction to have merit under statutory criteria or other merit-based decisionmaking.

Items of Note:

Share of Common Defense Burden: The bill requires the Secretary of Defense, by February 15, 2009 to submit a report to Congress on actions taken by the Departments of Defense and State to encourage countries that host U.S. forces abroad to assume a greater share of the common defense burden.

E-Commerce: Encourages departments and agencies funded by the bill to expand the use of E-Commerce technologies for business practices and public service activities.

Military Construction: \$11.74 billion—\$1.82 billion or 18.3% above last year and \$379 million or 3.3% above the President's request.

BRAC: \$9.54 billion—\$2 billion or 26.6% above last year and \$80 million or 0.8% above the President's request.

Department of Veterans Affairs: \$47.69 billion—\$4.58 billion or 10.6% above last year and \$2.92 billion or 6.6% above the President's request.

Including mandatory spending, total Department of Veterans Affairs spending has increased from \$43.1 billion in 1999 to \$87.6 billion in 2008—an increase of \$44.5 billion or 103.2% over this period.

Veterans Health Administration: \$40.78 billion—\$6.17 billion or 17.8% above last year and \$1.6 billion or 4.1% above the President's request.

Including mandatory spending, total Veterans Health Administration spending has increased from \$18.23 billion in 1999 to \$37.2 billion in 2008—an increase of \$18.97 billion or 104.0% over this period.

Funding Summaries:

In Thousands

	FY 08 Enacted	FY 09 Request	FY 09 Cmte	Cmte Over FY08	Cmte Over Request	% Over FY08	% Over Request
Department of Defense							
Military Construction, Army	3,927,893	4,615,920	4,750,216	822,323	134,296	20.9%	2.9%
Military Construction, Navy	2,187,837	3,096,399	3,280,809	1,092,972	184,410	50.0%	6.0%
Military Construction, Air Force	1,149,277	934,892	958,843	-190,972	23,951	-16.6%	2.6%
Military Construction, Defense- Wide	1,599,404	1,783,998	1,610,861	11,457	-173,137	0.7%	-9.7%
Military Construction, Reserve Components	1,062,046	931,667	1,141,147	79,101	209,480	7.4%	22.5%
NATO Security Investment	201,400	240,867	218,867	17,467	-22,000	8.7%	-9.1%
Family Housing, Total	2,866,724	3,203,455	3,166,455	299,731	-37,000	10.5%	-1.2%
Base Realignment & Closure	7,531,280	9,458,763	9,538,763	2,007,483	80,000	26.7%	0.85%
Chemical Demilitarization Construction	104,176	134,278	134,278	30,102	----	28.9%	----
Total, Dept of Defense	20,692,574	24,400,239	24,872,829	4,180,255	472,590	20.2%	1.9%
Department of Veterans Affairs							
Compensation and Pensions	41,236,322	43,111,681	43,111,681	1,875,359	----	4.5%	----
Medical Services	27,167,671	34,075,503	30,804,270	3,636,599	-3,271,233	13.4%	-9.6%
Medical Administration	3,442,000	----	4,400,000	883,000	4,400,000	25.7%	----
Medical Facilities	4,100,000	4,661,000	5,029,000	929,000	368,000	22.7%	7.9%
Medical and Prosthetic Research	411,000	442,000	500,000	89,000	58,000	21.7%	13.1%
General Operating Expenses	1,471,837	1,699,867	1,801,867	330,030	102,000	22.4%	6.0%
National Cemetery Administration	166,809	180,959	240,000	73,191	59,041	43.9%	32.6%
Information technology systems	1,859,217	2,442,066	2,492,066	632,849	50,000	34.0%	2.0%
Inspector General	72,599	76,500	87,818	15,219	11,318	21.0%	14.8%
Construction, Major Projects	727,400	581,582	923,382	195,982	341,800	26.9%	58.8%
Construction, Minor Projects	233,396	329,418	1,041,492	808,096	712,074	28.9%	216.2%
Grants, Construct State Extended Facilities	85,000	85,000	165,000	80,000	80,000	94.1%	94.1%
Grants, Construct State Veterans Cemeteries	32,000	32,000	45,000	13,000	13,000	40.6%	40.6%
Total, Dept of Veterans Affairs	87,595,142*	90,761,057	93,685,057	6,089,915	2,924,000	7.0%	3.2%
Related Agencies							
American Battle Monuments Commission	55,600	64,570	72,570	16,970	8,000	30.5%	12.4%
U.S. Court of Appeals for Veterans Claims	22,717	23,975	73,975	51,258	50,000	225.6%	208.6%
Armed Forces Retirement Home	56,524	63,010	63,010	6,486	----	11.5%	----
DOD Civil Cemeteries Expenses (Army)	31,230	31,230	31,230	----	----	----	----
Total, Related Agencies	166,071	182,785	240,785	74,714	58,000	45.0%	31.7%

**Note: This includes \$46 billion of mandatory spending, which does not count toward the subcommittee's spending allocation, as this spending is not subject to appropriation.*