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2d Session }

SENATE

{ REPORT  
112-168

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### MILITARY CONSTRUCTION AND VETERANS AFFAIRS, AND RELATED AGENCIES APPROPRIATION BILL, 2013

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MAY 22, 2012.—Ordered to be printed

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Mr. JOHNSON, from the Committee on Appropriations,  
submitted the following

### REPORT

[To accompany S. 3215]

The Committee on Appropriations reports the bill (S. 3215) making appropriations for military construction, the Department of Veterans Affairs, and related agencies for the fiscal year ending September 30, 2013, and for other purposes, reports favorably thereon and recommends that the bill do pass.

*Amounts in new budget authority*

Total of bill as reported to the Senate .....	\$148,533,927,000
Amount of 2012 appropriations .....	137,441,934,000
Amount of 2013 budget estimate .....	148,999,829,000
Bill as recommended to Senate compared to—	
Amount of 2012 appropriations .....	+ 11,091,993,000
Amount of 2013 budget estimate .....	– 465,902,000

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## BACKGROUND

### PURPOSE OF THE BILL

The Military Construction and Veterans Affairs, and Related Agencies appropriations bill provides necessary funding for the planning, design, construction, alteration, and improvement of military facilities worldwide, for both active and reserve forces. It also finances the cost of military family housing and the U.S. share of the NATO Security Investment Program. In addition, the bill provides funding to implement base closures and realignments authorized by law. The bill provides resources to the Department of Veterans Affairs for veterans benefits and healthcare and funding for U.S. cemeteries and battlefield monuments both in the United States and abroad, including Arlington National Cemetery; the U.S. Court of Appeals for Veterans Claims; and the Armed Forces Retirement Homes.

### COMMITTEE RECOMMENDATION

The Committee recommends appropriations totaling \$148,533,927,000 for fiscal year 2013 military construction, family housing, base closure, veterans healthcare and benefits, including fiscal year 2014 advance appropriations for veterans medical care, and related agencies. This includes \$74,638,167,000 in mandatory funding and \$73,895,760,000 in discretionary funding. The table at the end of the report displays the Committee recommendation in comparison with the current fiscal year, and the President's fiscal year 2013 request.

#### APPROPRIATIONS FOR FISCAL YEAR 2013

	Budget request	Senate recommendation
New budget authority .....	\$148,999,829,000	\$148,533,927,000
Previous advances provided for fiscal year 2013 .....	52,541,000,000	52,541,000,000
Less advances provided for fiscal year 2014 .....	- 54,462,000,000	- 54,462,000,000
Total appropriations for fiscal year 2013 .....	147,078,829,000	146,612,927,000

#### OVERVIEW AND SUMMARY OF BILL

The Military Construction and Veterans Affairs, and Related Agencies appropriations bill funds an array of programs that are vital to America's military personnel and their families, and to the Nations' veterans. For U.S. military forces and their families worldwide, the bill funds critical infrastructure, ranging from mission essential operational and training facilities to key quality of life facilities, including barracks, family housing, child care centers, schools and hospitals. For America's 22,200,000 veterans, the bill

provides the necessary funding for veterans benefits and healthcare, from prescription drugs and clinical services to the construction of hospitals and other medical facilities throughout the Nation. The bill also funds veterans cemeteries in the United States and provides funding for four independent agencies—the American Battle Monuments Commission, the U.S. Court of Appeals for Veterans Claims, the Armed Forces Retirement Homes, and Arlington National Cemetery.

TITLE I  
MILITARY CONSTRUCTION  
ITEMS OF SPECIAL INTEREST  
HEARINGS

The Subcommittee on Military Construction and Veterans Affairs, and Related Agencies held two hearings related to the fiscal year 2013 military construction budget request. Witnesses included representatives of the Office of Secretary of Defense and of the active and reserve components of the Army, Navy, and Air Force.

SUMMARY OF COMMITTEE RECOMMENDATIONS

The fiscal year 2013 budget request for military construction and family housing totals \$11,222,710,000. The Committee recommends \$10,653,808,000, \$568,902,000 below the budget request for military construction and family housing.

REPROGRAMMING GUIDELINES

The following reprogramming guidelines apply for all military construction and family housing projects. A project or account (including the sub-elements of an account) which has been specifically reduced by the Congress in acting on the budget request is considered to be a congressional interest item and as such, prior approval is required. Accordingly, no reprogrammings to an item specifically reduced below the threshold by the Congress are permitted.

The reprogramming criteria that apply to military construction projects (25 percent of the funded amount or \$2,000,000, whichever is less) continue to apply to new housing construction projects and to improvements over \$2,000,000. To provide the services the flexibility to proceed with construction contracts without disruption or delay, the costs associated with environmental hazard remediation such as asbestos removal, radon abatement, lead-based paint removal or abatement, and any other legislated environmental hazard remediation may be excluded, provided that such remediation requirements could not be reasonably anticipated at the time of the budget submission. This exclusion applies to projects authorized in this budget year, as well as projects authorized in prior years for which construction has not been completed.

Furthermore, in instances where prior approval to a reprogramming request for a project or account has been received from the Committee, the adjusted amount approved becomes the new base for any future increase or decrease via below-threshold reprogrammings (provided that the project or account is not a congressional interest item as defined above).

In addition to these guidelines, the services are directed to adhere to the guidance for military construction reprogrammings and notifications, including the pertinent statutory authorities contained in Department of Defense [DOD] Financial Management Regulation 7000.14–R and relevant updates and policy memoranda.

#### REAL PROPERTY MAINTENANCE

The Committee recommends a continuation of the following general rules for repairing a facility under “Operation and Maintenance” account funding:

- Components of the facility may be repaired by replacement, and such replacement may be up to current standards or code.
- Interior arrangements and restorations may be included as repair, but additions, new facilities, and functional conversions must be performed as military construction projects.
- Such projects may be done concurrent with repair projects, as long as the final conjunctively funded project is a complete and usable facility.
- The appropriate Service Secretary shall submit a 21-day notification prior to carrying out any repair project with an estimated cost in excess of \$7,500,000.

The Department is directed to continue to report on the real property maintenance backlog at all installations for which there is a requested construction project in future budget requests. This information is to be provided on the form 1390. In addition, for all troop housing requests, the form 1391 is to continue to show all real property maintenance conducted in the past 2 years and all future requirements for unaccompanied housing at that installation.

#### INCREMENTAL FUNDING

In general, the Committee supports full funding for military construction projects. However, it continues to be the practice of the Committee to provide incremental funding for certain large projects, despite administration policy to the contrary, to enable the services to more efficiently allocate military construction dollars among projects that can be executed in the year of appropriation. For fiscal year 2013, the Committee recommends incremental funding for the following projects: High Performance Computing Center, increment 2, Fort Meade, Maryland; U.S. STRATCOM Replacement Facility, Offutt Air Force Base, Nebraska; Cadet Barracks, U.S. Military Academy, West Point, New York; Hospital Replacement, Fort Bliss, Texas; and Explosives Handling Wharf 2, Kitsap, Washington.

#### FUTURE YEARS DEFENSE PROGRAM

The Future Years Defense Program [FYDP] submitted with the fiscal year 2013 budget request represents a 41-percent decrease in projected military construction funding from the FYDP submitted in fiscal year 2012, with a particularly dramatic reduction in projected funding versus the actual budget request for fiscal year 2013. Over the span of the new FYDP, for both Active and Reserve components, proposed Army military construction is reduced by more than \$12,000,000,000, or 60 percent; proposed Navy and Ma-

rine Corps military construction is reduced by \$2,700,000,000, or 24 percent; and proposed Air Force military construction is reduced by \$1,700,000,000, or 19 percent.

Neither DOD nor the services have offered a detailed explanation of why projects previously programmed in the FYDP for 2013 were deferred, how these deferrals will affect mission requirements and operational needs, whether the Department intends to propose any or all of these projects in immediate future years, and how the deferral of military construction projects in 2013 will affect the timing of projects previously programmed in the FYDP over the next several years.

The Committee recognizes the difficulty in planning for future military construction requirements in the face of a fiscally constrained budgetary environment, planned end strength reductions for the Army and Marine Corps, major restructuring initiatives for the Air Force, and global posture realignments. However, a hollow FYDP is of little value to Congress in evaluating the current military construction request in the context of longer-range military construction planning and hampers the ability of the Department and the Congress to make prudent and forward-looking investments.

In light of the drastic changes from the fiscal year 2012 FYDP to the fiscal year 2013 FYDP, the Committee directs the services and the defense agencies to provide to the Committee, within 90 days of enactment of this act, a detailed listing of projects that were included in the fiscal year 2012 FYDP for 2013 but were dropped from the 2013 budget request, and an explanation of why each project was dropped. The Committee further expects DOD to provide a comprehensive FYDP with the fiscal year 2014 budget request, reflecting reassessed strategic needs and force structure realignments.

Although the Committee recognizes the need for fiscal restraint in defense spending in the current budgetary environment, it remains concerned that military construction funding not be cannibalized to finance other defense programs, as critical as they might be. Military construction is the foundation of the living and working conditions for military personnel and their families. The extreme reduction in the fiscal year 2013 military construction budget request when compared to recent years, in tandem with the skeletonized fiscal year 2013 FYDP, raises a warning flag about DOD's commitment to vital military construction requirements that the Committee will closely monitor.

#### ENERGY POLICY

The Department of Defense is the largest consumer of energy in the Federal Government, accounting for nearly 80 percent of the government's total energy consumption. DOD spends nearly \$4,000,000,000 annually on facility energy alone, nearly a quarter of its total energy costs. However, installation energy consumption accounts for nearly 40 percent of the Department's greenhouse gas emissions. The Committee commends the Department for its aggressive efforts to improve the energy efficiency of its buildings and installations, reduce consumption, mitigate its carbon footprint, in-



vest in renewable energy projects, and enhance energy security on its installations.

The Committee also supports the efforts of the Department to incorporate green building technologies into both new construction and renovations of buildings. As noted in the past, the Committee believes that the use of these technologies should be a fundamental consideration in the design or retrofit of all military construction projects.

In particular, the Committee believes that the Department should maximize the use of energy efficient, eco-friendly roofing technologies for new construction and renovations, including family housing construction and renovation. These technologies include, but are not limited to, photovoltaic panels, solar thermal roof coatings, rooftop direct use solar lighting technology, green roofs, and cool roofs. In an effort to capture the most innovative of these technologies, the Committee encourages the Department and the services to monitor new technologies emerging from government, industry, or university research and development programs.

Although federally mandated sustainable design policies and energy efficiency goals are standard elements of military construction design, the Committee encourages the Department and the services to incorporate additional leading-edge technologies into the construction program and to utilize new and underutilized, low-cost energy-efficient technologies that provide the best value to taxpayers through minimal life-cycle costs.

While strongly supportive of DOD's commitment to green buildings, and its goal to promote cost-effective sustainability, the Committee is concerned that the Department's current approach to sustainable construction could result in giving preference to one green building certification system to the exclusion of others, particularly wood products. The Committee expects DOD to ensure equal acceptance of forestry certification systems, and to allow systems designated as American National Standards to compete equally for use in the Department's building construction and major renovations, subject to Buy America requirements.

*Cybersecure Microgrids at Military Installations.*—The Committee is impressed with the progress the Department has made in deploying microgrids to mitigate risk to mission critical assets and promote energy independence at military installations through the Smart Power Infrastructure Demonstration for Energy Reliability and Security [SPIDERS] program. However, the Committee remains concerned that most installations across the country are dependent on commercial grids, which could potentially compromise the security and access to reliable supplies of energy necessary to meet mission essential requirements. The Committee believes the Department should study and evaluate using cybersecure microgrid technologies to promote energy security. Therefore, the Secretary of Defense shall submit a report to the congressional defense committees, no later than 180 days from the enactment of this act, regarding: (1) the status of microgrid demonstrations currently deployed domestically; (2) the Department's plan to secure energy supplied to military installations to meet mission essential requirements; and (3) the potential benefits of the wide-spread use of secure microgrid technology on domestic military installations.

## GLOBAL CHALLENGES

At a time of global economic insecurity and shifting strategic concerns, the United States military is faced with myriad challenges in rebalancing its overseas force posture. In Europe, the Department is engaged in a wide-ranging review of its force structure in an effort to sustain a strong NATO alliance, draw down United States conventional forces, and enhance rotational training and engagement opportunities with the militaries of both legacy and nascent NATO partners. In addition, the Department is building new capabilities on the continent to deploy its European missile defense strategy. As the largest United States force presence in Europe, the Army is facing the most dramatic force structure realignments, with many details still to be resolved.

In both the Africa and Central commands, contingency and anti-terrorism related developments are affecting the current force structure assumptions. The scheduled withdrawal of United States combat troops from Afghanistan by the end of 2014 is already impacting contingency construction in Afghanistan, but as the United States transitions to a stability presence in the Central Command, new military construction requirements are emerging in such countries as Bahrain, Qatar, and Oman. Political instability in the region is a complicating factor in assessing future requirements.

In the Africa Command, emerging terrorist threats from such countries as Somalia and Yemen require an enhanced and flexible military construction platform that can support a dynamic and frequently changing mission set.

Perhaps the greatest challenge is in the Pacific Area of Responsibility, where the administration's recent pivot to enhance the United States military's presence in the region has led to a complete re-evaluation of United States basing strategy, particularly in negotiations with the Government of Japan over plans to relocate United States military forces from Okinawa to Guam.

Following are discussions of some of the key elements of these strategic realignment plans as they relate to force structure and military requirements.

*European Command [EUCOM].*—As part of the overall force structure realignment in Europe, as well as the proposed reduction in Army end-strength, the requirement for future Army military construction in Europe is in flux. The Committee notes that the Army is currently undergoing significant force structure reductions in Europe, including the removal of two of four heavy brigades, a corps headquarters, and various combat support units. According to DOD, the remaining Army forces in Europe would be regularly augmented by rotational forces. Previous DOD and Government Accountability Office analyses suggest that such force structure reductions could reduce overseas posture costs. However, efforts to develop a detailed and comprehensive savings estimate are hindered by decisions that have not been finalized, including, but not limited to, plans for the Army's overall force structure; the permanent location of U.S. Africa Command headquarters, which is currently located in Stuttgart, Germany; the consolidation of U.S. European Command headquarters; the potential increase in special operations forces in Europe, and the size, frequency, and equip-

ment requirements for the rotation of Army units to Europe. Absent these decisions, it is difficult for the Committee to determine future Army infrastructure requirements in Europe.

The Committee supports the Department's plans to invest in military construction requirements in Europe for the U.S. European missile defense program, but cautions that those requirements should be fully validated before funding is requested. This is particularly important in light of the fact that European missile defense-related requests in the fiscal year 2013 budget for funding for the Air Force were deemed unnecessary subsequent to the submission of the fiscal year 2013 budget request.

*Central Command [CENTCOM].*—The Committee fully supports military construction investments required for United States combat forces in Afghanistan. Although the fiscal year 2013 military construction budget request does not include any new military construction for Afghanistan, the Committee notes that many previously funded military construction projects have been cancelled, and that the services have requested new projects in their stead. Infrastructure requirements in a rapidly evolving combat environment are by their nature fluid, but the Committee urges the Department to ensure that scarce defense dollars are not spent for non-essential military construction projects at temporary bases given that such projects may not be completed before the withdrawal of United States troops.

The Committee is also concerned with proposed military construction investments in countries within CENTCOM that are experiencing political upheaval. For example, although the Committee recommends funding for two Navy projects in Bahrain, which is the headquarters for the Navy's 5th Fleet, it remains concerned that political dissent in Bahrain could threaten the current government and jeopardize the United States investment. The Committee urges the Navy to examine alternative basing arrangements for the 5th Fleet should the political situation in Bahrain become untenable.

The Committee also believes that all infrastructure investments in the Central Command should be considered expeditionary, as most troops rotate through these bases on a very limited deployment schedule, and therefore should not be expected to meet permanent stationing requirements.

*Africa Command [AFRICOM].*—AFRICOM's strategic role is increasingly important given recent troubling developments in the Horn of Africa as well as political and economic instability throughout the continent. Somalia's statelessness and economic malaise have provided a power vacuum for the terrorist group al-Shabaab to operate and coordinate with al Qaeda affiliates in Yemen, and widespread piracy in the Gulf of Aden threatens global shipping lanes between the Mediterranean Sea and the Indian Ocean. In light of these challenges, the Committee recognizes the importance of maintaining a United States military presence in the Horn of Africa.

However, the Committee continues to be concerned about the long-term mission of AFRICOM at Camp Lemonier in Djibouti, the only enduring United States military base in Africa. Camp Lemonier is a Navy base with the primary mission of supporting

the Combined Joint Task Force—Horn of Africa [CJTF–HOA], which is an inherently temporary mission, intended to focus on antiterrorism and capacity building in Africa.

As such, the Committee sees a serious disconnect between the mission critical requirements of CJTF–HOA and the installation management requirements of the Navy. Without full coordination with AFRICOM, the Navy is expected to provide a master plan for the installation based on fragmented and evolving requirements of the AFRICOM mission. This disconnect has led to flawed siting decisions for facilities, and expensive work-around solutions. Additionally, limited space at Camp Lemonier makes it difficult to provide sufficient facilities to accommodate the range of missions and fluctuations in force structure elements.

The strategic and operational importance of AFRICOM underscores the necessity for DOD to finalize a coordinated master plan for Camp Lemonier. Despite repeated requests, the Committee notes that, to date, it has not been provided with a comprehensive master plan for Camp Lemonier, and directs AFRICOM to coordinate with the Navy to provide a master plan for the installation that incorporates AFRICOM's dynamic requirements, including airfield, housing, and operational flexibility.

Additionally, 5 years after its establishment, AFRICOM has not made a decision as to where it will locate its permanent headquarters, and the Committee urges DOD to reach a decision.

The lack of a master plan for Camp Lemonier, its status as the host for a temporary task force, and the lack of a permanent AFRICOM headquarters location hamper long-range planning efforts, and raise concerns about long-term funding options. Comprehensive medium- and long-range plans must be developed in order for DOD and Congress to develop cost estimates and evaluate future infrastructure investments at Camp Lemonier.

*Pacific Command [PACOM].*—Nowhere is the evolving nature of United States force posture overseas more apparent than in the Pacific Area of Operation [AOR]. For the past 6 years, the Department has been struggling to implement a PACOM strategy that called for the relocation of 8,500 U.S. marines from Okinawa to Guam, construction of a new U.S. military base in Okinawa, and tour normalization in Korea, by which unaccompanied tours would be migrated to permanent tours to include all military personnel and their families. Today, that strategy has been turned on its head.

In the past year, the administration has decided to limit the number of U.S. marines scheduled to relocate from Okinawa to Guam, re-negotiate the relocation plan with the Government of Japan, de-link Guam relocation from the timing of construction of a new U.S. military base in Okinawa, and scrap future tour normalization for Korea. Instead, the Administration has proposed a new strategic plan for the Pacific AOR that provides for U.S. rotational forces in Australia, Singapore and the Philippines, a reduced presence of U.S. marines permanently based in Guam, and a planned shift of 2,500 marines from Okinawa to Hawaii.

These changes have profound implications for military construction requirements in the PACOM AOR. As the Department continues to refine its military construction requirements to adapt to

this new strategy, the Committee looks forward to a revised and comprehensive basing plan that will encompass these changes. In the interim, the Committee has deferred funding additional military construction related to the relocation of U.S. marines to Guam.

*Landstuhl Regional Medical Center.*—The Committee continues to support construction of a new Army hospital at Kaiserslautern, Germany, to replace the aging and inefficient Landstuhl Regional Medical Center [LRMC]. As the military's only tertiary care hospital in Europe, LRMC is a key medical facility for United States forces in Germany and throughout the European Command, as well as a strategic hub for United States troops wounded in Iraq and Afghanistan.

However, the Committee remains concerned about the fidelity of the baseline data and the accuracy of the documentation on which the Department determined the cost, size, and scope of the new hospital. Further, DOD's January 2012 announcement of additional force reductions in Europe raises questions as to how those posture changes will impact the projected patient workload for the new hospital. The Committee expects DOD to address these and other concerns raised by the congressional defense committees before finalizing plans for the hospital.

The fiscal year 2012 Military Construction and Veterans Affairs, and Related Agencies Appropriations Act (Public Law 112-74) provided conditional funding for increment 1, site preparation, for the replacement hospital pending certification of the final size and scope requirement by the Secretary of Defense. Although that certification remains pending, the Committee recognizes the need to avoid unnecessary delays in moving forward to lay the groundwork for a replacement facility, and recommends funding the second increment at the fully requested amount of \$127,000,000, with the understanding that all funding remains conditional on the Secretary's certification.

At a time of severe budgetary pressures throughout the Government, it is imperative for DOD to fully document and justify the cost and requirement for every military construction project. This is particularly important for a project of this size and scope to be built overseas in a region that is currently undergoing major force posture reductions. As such, the Committee will continue to closely monitor this project.

*Defense Access Roads.*—With the consolidation of military facilities through BRAC 2005 realignments and transformation initiatives, traffic congestion around growth installations has become a major issue, particularly in densely populated urban areas. The Defense Access Road [DAR] program is DOD's only funding mechanism for building or improving access roads outside of military installations. However, the program is currently constrained by strict eligibility requirements, such as the doubling of existing traffic congestion, which makes it extremely difficult for congested urban areas to qualify for DAR certification.

The Committee understands that DOD is developing a plan to improve and expand the DAR program, utilizing the findings of the Government Accountability Office in its report, GAO-11-165, and the Transportation Research Board's 2011 study, "Federal Funding of Transportation Improvements in BRAC Cases." The Committee

directs the Department to provide the congressional defense committees a detailed report on the proposed plan and recommendations with the submission of the fiscal year 2014 budget request. The plan should address the concerns and directives included in the Senate Appropriations Committee’s fiscal year 2012 Military Construction, Veterans Affairs and Related Agencies Report 112–29.

Well-planned and maintained transportation infrastructure adjacent to military facilities increases mobility, improves livability, and enhances relations between the base and the local community. In addition to the DAR program, DOD should evaluate ways it can work with the Department of Transportation, State governments, and local communities to seek alternatives to efficiently address critical transportation infrastructure shortfalls near military installations. The Committee also encourages the Department to improve interagency coordination to harness other Federal resources and address major traffic needs at military installations affected by large population increases.

*General/Flag Officer Quarters [GFOQ].*—As noted previously, this Committee is concerned that the Department of Defense is spending an inordinate amount of taxpayer funds on leases, maintenance, and upgrades for GFOQs overseas. The Committee is pleased to see a decrease in the number of instances in the current request in which operations and maintenance costs for individual quarters exceeded the \$35,000 statutory limit, but the Department has yet to provide Congress with a report, as requested last year, on the cost benefit of maintaining high-cost overseas GFOQs. The Committee is concerned that in many instances the expense for these quarters is unreasonable and not a prudent use of taxpayer funds. The Committee therefore directs the Department to initiate a thorough review of all planned expenditures on GFOQ housing and provide a report to the congressional defense committees, no later than December 21, 2012, outlining a business case analysis for all high-cost GFOQ overseas housing, including a justification of whether the lease or other housing arrangement is advantageous to the Government, and an evaluation of any reasonable alternatives.

MILITARY CONSTRUCTION, ARMY

Appropriations, 2012 .....	\$3,006,491,000
Budget estimate, 2013 .....	1,923,323,000
Committee recommendation .....	1,684,323,000

PROGRAM DESCRIPTION

The military construction appropriation for the Army provides for acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Army. This appropriation also provides for facilities required as well as funds for infrastructure projects and programs required to support bases and installations around the world.

## COMMITTEE RECOMMENDATION

The Committee recommends \$1,684,323,000 for the Army for fiscal year 2013. This amount is \$1,322,168,000 below the fiscal year 2012 enacted level, and \$239,000,000 below the budget request. Further detail of the Committee's recommendation is provided in the State table at the end of this report.

*Arlington National Cemetery Construction.*—The Army's fiscal year 2013 military construction budget request includes \$103,000,000 (\$84,000,000 in major construction and \$19,000,000 in planning and design) to develop the Millennium site and future construction at Arlington National Cemetery [ANC] to increase burial space. Although the cemetery is under the general authority of the Army, because of ANC's unique nature and national importance, it was established as a related agency under the jurisdiction of this subcommittee so that it would be independent from the regular Army for funding purposes, thus insulating it from funding competition with other Army programs.

The Committee strongly believes that the Army's request—which also included a provision to allow the transfer of Army Operation and Maintenance funding to ANC—would undermine oversight of Arlington National Cemetery by setting a precedent of comingling ANC and Army appropriations.

The Committee, therefore, has denied the Army's request of \$84,000,000 in military construction funding for the Millennium project at Arlington National Cemetery and \$19,000,000 for planning and design for future burial space expansion, and instead appropriated those sums directly to ANC through the "Department of Defense—Civil, Cemeterial Expenses, Army" account in title III, Related Agencies, of this act.

In addition, the Committee has included an administrative provision in title I of this act prohibiting the use of any funds appropriated under this title for military construction activities at Arlington National Cemetery.

*West Point Cadet Barracks.*—The budget request includes \$192,000,000 for a new 650-bed cadet barracks at the U.S. Military Academy at West Point, New York. The Committee has certain reservations about this project in the context of overall barracks deficiencies at West Point, and recommends funding the project in increments to allow design modifications as warranted. The Committee recommendation includes \$86,000,000 for the first increment, which is the amount Army officials determined fulfills the requirement for fiscal year 2013.

The Committee recognizes the importance and historical significance of West Point, and strongly believes that cadet barracks must provide both adequate space and suitable living conditions for each resident. The Committee also understands that, given the traditions of West Point, it is important to maintain the appropriate style and façade of new construction, and to ensure that cadet barracks are centrally located to allow for daily formations and proximity to classrooms. As a result of those constraints, the only apparent suitable site for the new barracks presents construction challenges that significantly drive up the cost of construction. Seis-

mic and antiterrorism/force protection requirements add further to construction costs.

While the Committee understands these constraints, it directs the Army to re-evaluate space and design requirements for the new barracks to ensure that the Army is not overbuilding or over-designing, and that the barracks will be sized appropriately to address only the estimated barracks deficit based on the statutory cap of 4,400 cadets at West Point, or any pending modification of that requirement. This is an extremely important consideration at a time when the Army is facing significant reductions in its end-strength, which will impact the number of new officers required annually to meet the Army's needs.

Additionally, the Committee urges the Army to develop a recapitalization plan for the existing barracks that alleviates the current overcrowding of the dorms without waiting for completion of the new barracks to address this problem. Committee staff traveled to West Point in April 2012 to assess the requirement for the new barracks as well as the condition of existing barracks. Tours of three of the nine cadet barracks revealed substandard and potentially unsafe living conditions, including overcrowding, interior water damage, peeling paint, electrical deficiencies, and general neglect of the facilities. These deficiencies are inexcusable, and the Army's plan to defer renovations until 2018, when the new barracks will be completed and can be used for swing space, is unacceptable.

Between fiscal years 2007 and 2010, the most recent years for which the Army has comparative data, West Point spent a total of \$219,233,040 in sustainment, restoration, and modernization [SRM] funding, of which only \$20,385,714—less than 10 percent of the total—was used for cadet barracks upkeep and modernization. However, the Army's barracks renovation plan for West Point calls for a nine-phase, \$642,000,000 program beginning in 2018 with renovation timelines and funding requirements assumed to be one building per year. Given the current level of annual SRM funding for West Point, which has averaged about \$55,000,000 per year over the past 6 years, the Committee is skeptical of the Army's ability to adequately fund the renovation plan.

In sum, the Committee supports the Army's efforts to reduce overcrowding and improve living conditions at cadet barracks, but it questions the Army's priorities in deferring the start of renovations to existing dorms for a minimum of 5 years to give precedence to the construction of a new barracks, particularly given that West Point has managed to accommodate the cadets in the nine existing barracks for the past 40 years without requesting additional barracks construction.

The Committee, therefore, directs the Army to provide a report to the congressional defense committees no later than March 25, 2013, on the feasibility of renovating existing cadet barracks in phases, such as one wing of a building at a time, in tandem with construction of the new barracks. The report should include cost and timetable estimates, and a plan for housing displaced cadets during the renovation process.



## MILITARY CONSTRUCTION, NAVY AND MARINE CORPS

Appropriations, 2012 .....	\$2,112,823,000
Budget estimate, 2013 .....	1,701,985,000
Committee recommendation .....	1,650,240,000

## PROGRAM DESCRIPTION

The Military Construction appropriation for the Navy and Marine Corps provides for acquisition, construction, installation, and equipment of temporary or permanent public works, naval installations, facilities, and real property for the Navy and the Marine Corps. This appropriation also provides for facilities required as well as funds for infrastructure projects and programs required to support bases and installations around the world.

## COMMITTEE RECOMMENDATION

The Committee recommends \$1,650,240,000 for Navy and Marine Corps military construction for fiscal year 2013. This amount is \$462,583,000 below the fiscal year 2012 enacted level, and \$51,745,000 below the budget request. Further detail of the Committee's recommendation is provided in the State table at the end of this report.

*Investment in Navy Public Shipyards.*—In the Senate Committee report accompanying the Military Construction and Veterans Affairs, and Related Agencies Appropriations Act for Fiscal Year 2012, the Committee urged the Navy to evaluate and accelerate military construction projects in the Future Years Defense Program that could improve the safety, effectiveness, or efficiency of the work performed at the Navy's public shipyards. However, the budget request for fiscal year 2013 includes only one military construction project at a Navy shipyard. To ensure the Committee's concerns are sufficiently addressed, the Committee directs the Secretary of the Navy to report to the Committees on Appropriations of both Houses of Congress, within 60 days of enactment of this act, on the Department's review and evaluation of military construction projects that could be accelerated to improve the safety, effectiveness, or efficiency of the work performed at the Navy's public shipyards.

## MILITARY CONSTRUCTION, AIR FORCE

Appropriations, 2012 .....	\$1,227,058,000
Budget estimate, 2013 .....	388,200,000
Committee recommendation .....	322,543,000

## PROGRAM DESCRIPTION

The military construction appropriation for the Air Force provides for acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Air Force. This appropriation also provides for facilities required as well as funds for infrastructure projects and programs required to support bases and installations around the world.

## COMMITTEE RECOMMENDATION

The Committee recommends \$322,543,000 for the Air Force in fiscal year 2013. This amount is \$904,515,000 below the fiscal year 2012 enacted level, and \$65,657,000 below the budget request. Further detail of the Committee's recommendation is provided in the State table at the end of this report.

*STRATCOM Headquarters.*—The Committee fully supports the construction of a new Strategic Command [STRATCOM] headquarters at Offutt Air Force Base, Nebraska, a \$564,000,000 project, and appropriated the first increment of \$120,000,000 in fiscal year 2012. However, contract award delays have resulted in no military construction funding being obligated to date. It is the practice of the Committee to provide incremental funding for large projects to ensure that only sufficient funds will be appropriated annually to ensure execution in the year of appropriation. Given the construction award delay, the Air Force has indicated that no more than \$128,000,000 will be required in fiscal year 2013. Therefore, the Committee recommends funding for increment 2 of the STRATCOM Headquarters at \$128,000,000, instead of the requested amount of \$161,000,000. The Air Force has also assured the Committee that incremental funding has not, and will not, delay the completion of this project.

*Quality of Life.*—Enhancing the quality of life for military families is one of the Committee's highest priorities. Despite current budgetary pressures on the services, the Committee recognizes the need to continue to focus on promoting military construction projects that support the quality of life of our servicemembers and their families. Given the steep reduction in military construction funding for the Air Force, the Committee is particularly concerned about the prioritization of resources for improving and maintaining the quality of life at Air Force installations, including housing, support services, and transportation improvements. In light of the recent spike in gasoline prices, the Committee believes that efforts to improve transportation flow and reduce commuting times for military personnel and their families should receive special consideration. The Committee strongly urges the Air Force to prioritize those projects that will improve the quality of life for servicemembers and military families on and around Air Force installations, especially those installations supporting major commands and numbered Air Forces.

*Air Force Infrastructure Consolidation.*—The Committee recognizes the Air Force's efforts to reduce overhead throughout its budget. As the Air Force continues to scrutinize its infrastructure for savings, the Committee recommends that the Air Force pay special attention to consolidating infrastructure and commands on its installations, including, but not limited to, communications, civil engineering, and administrative facilities.

*Aerospace Control Alert Facilities.*—Aerospace Control Alert facilities contribute to the safety and security of our Nation. The Air Force squadrons that sit alert at these facilities spend 24 hours a day, 7 days a week, on standby in order to provide that protection to the Nation's critical infrastructure, often in substandard temporary facilities. The Committee encourages the Air Force to accel-

erate the planned permanent construction of all alert facilities that are currently composed of substandard mobile and modular building units.

MILITARY CONSTRUCTION, DEFENSE-WIDE

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2012 .....	\$3,431,957,000
Budget estimate, 2013 .....	3,654,623,000
Committee recommendation .....	3,442,123,000

PROGRAM DESCRIPTION

The military construction appropriation for the Department of Defense provides for acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property Defense-Wide. This appropriation also provides for facilities required as well as funds for infrastructure projects and programs required to support bases and installations around the world.

COMMITTEE RECOMMENDATION

The Committee recommends \$3,442,123,000 for projects considered within the “Defense-Wide” account in fiscal year 2013. This amount is \$10,166,000 above the fiscal year 2012 enacted level and \$212,500,000 below the budget request. Further detail of the Committee’s recommendation is provided in the State table at the end of this report.

*Fort Bragg Infrastructure Project.*—The Committee recommendation includes funding increases totaling \$30,000,000 for three Special Operations Command [SOCOM] projects included in the budget request at Fort Bragg, North Carolina: Battalion Operations Facility, Civil Affairs Battalion Complex, and Sustainment Brigade Complex. The purpose of the additional funding is to incorporate related utility and road infrastructure improvements into each of the projects instead of funding the infrastructure as a \$30,000,000 stand-alone Army project, as requested in the budget submission. The Committee is concerned that the requested stand-alone project does not yield a complete and useable facility. Therefore, the Committee recommendation does not include funding for the infrastructure project as requested in the Army military construction account and instead distributes the \$30,000,000 among the three SOCOM projects in equal amounts of \$10,000,000 each in the Defense-Wide military construction account. The Committee directs SOCOM to update the project justification documents to incorporate the appropriate infrastructure element, and to submit a revised request for each of the SOCOM projects as soon as is practicable.

*Medical Centers and Family Pavilions.*—The Committee notes that health facilities on many installations that have experienced rapid growth in recent years, including newly aligned joint bases, are inadequate to meet the needs of the increased number of servicemembers and their families seeking medical resources. The military services’ surgeons general should work with their Installation Management Commands to ensure that the appropriate family, maternal, and infant healthcare facilities are incorporated into

and prioritized in the overall construction budget of growth bases. These construction budgets should reflect the need for additional capacity to provide medical care for servicemembers, their families, and their children.

CONTINGENCY CONSTRUCTION

The Committee has provided \$10,000,000 for the Secretary of Defense “Contingency Construction” account, equal to the request. This account provides funds which may be used by the Secretary of Defense for unforeseen facility requirements and military exercises, including those related to overseas contingency operations.

ENERGY CONSERVATION INVESTMENT PROGRAM

The Committee recommends the requested level of \$150,000,000 for the Energy Conservation Investment Program [ECIP]. The Committee also recommends a transfer of \$10,000,000 from unspecified Defense-Wide planning and design into a separate line item for ECIP planning and design to ensure that adequate funds are available for future ECIP project planning.

ECIP is the only dedicated stream of funding for energy projects within DOD. Historically, ECIP has funded small projects with rapid payback. As DOD moves more aggressively to develop renewable energy resources and improve energy security, ECIP is emerging as a major tool to leverage investment in larger projects, such as net-zero energy facilities or smart grid technologies, that are intended to produce significant improvements in energy consumption, costs, and security at single or multiple installations. The Committee encourages the Department to continue using ECIP funds to leverage investments in game-changing major energy projects, particularly renewable energy initiatives.

The Committee notes that, in addition to ECIP funding, the fiscal year 2013 budget request includes two projects in the major construction program intended primarily to improve energy efficiency and security (an Army-funded ground source heat transfer system at Fort Benning, Georgia, and a Navy-funded remotely controlled electrical distribution system at Diego Garcia). The Committee believes that energy efficiency, energy security, and renewable energy investments are mission-critical requirements to reduce DOD’s dependence on costly and potentially unreliable sources of commercial energy, and encourages the services and the defense agencies to aggressively pursue opportunities to include projects designed to improve installation energy efficiency and security in their major construction programs as well as through ECIP.

MILITARY CONSTRUCTION, RESERVE COMPONENTS

Appropriations, 2012 .....	\$1,230,306,000
Budget estimate, 2013 .....	1,022,542,000
Committee recommendation .....	1,022,542,000

PROGRAM DESCRIPTION

The military construction appropriation for Reserve components provides for acquisition, construction, expansion, rehabilitation, and conversion of facilities for the training and administration of

the Reserve components. This appropriation also provides for facilities required as well as funds for infrastructure projects and programs required to support bases and installations.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,022,542,000 for military construction projects for the Guard and Reserve components for fiscal year 2013. This amount is \$207,764,000 below the fiscal year 2012 enacted level and equal to the budget request. Further detail of the Committee’s recommendation is provided in the State table at the end of this report.

The Committee recommends approval of military construction, Reserve components, as outlined in the following table:

RESERVE COMPONENTS

Component	Budget request	Committee recommendation
Army National Guard .....	\$613,799,000	\$613,799,000
Air National Guard .....	42,386,000	42,386,000
Army Reserve .....	305,846,000	305,846,000
Navy Reserve .....	49,532,000	49,532,000
Air Force Reserve .....	10,979,000	10,979,000
Total .....	1,022,542,000	1,022,542,000

*Army Guard Training Facilities.*—The need to reduce the Army-wide backlog of soldiers currently on the waiting list in the Non-Commissioned Officer Education System [NCOES] is crucial. Therefore, the Committee requests the Department of the Army to continue expansion and development of National Guard training facilities that serve active duty, guard, and reserve members. Priority should be given to schools considered Centers of Excellence for critical military occupational specialties.

*Army Guard Readiness Centers.*—The Committee is aware that approximately 40 percent of Army National Guard readiness centers are more than 50 years old. These facilities require renovation or replacement in order to meet the needs of training and maintaining a 21st century operational force. Unfortunately, DOD investment in Army Guard construction projects lags far behind the requirement. The Committee urges the Army to re-evaluate its investment plan for Army National Guard construction projects to ensure that all projects included in the Infrastructure Requirements Plan are maintained in the Future Years Defense Program.

NORTH ATLANTIC TREATY ORGANIZATION

SECURITY INVESTMENT PROGRAM

Appropriations, 2012 .....	\$247,611,000
Budget estimate, 2013 .....	254,163,000
Committee recommendation .....	254,163,000

PROGRAM DESCRIPTION

The North Atlantic Treaty Organization [NATO] appropriation provides for the U.S. cost share of the NATO Security Investment Program for the acquisition and construction of military facilities

and installations (including international military headquarters) and for related expenses for the collective defense of the NATO Treaty area.

COMMITTEE RECOMMENDATION

The Committee recommends \$254,163,000 for the North Atlantic Treaty Organization Security Investment Program [NSIP] for fiscal year 2013 as requested. This amount is \$6,552,000 above the fiscal year 2012 enacted level and equal to the budget request.

FAMILY HOUSING OVERVIEW

Appropriations, 2012 .....	\$1,682,946,000
Budget estimate, 2013 .....	1,650,781,000
Committee recommendation .....	1,650,781,000

PROGRAM DESCRIPTION

The Family Housing appropriation provides funds for military family housing construction activities, operation and maintenance, the Family Housing Improvement Fund, and the Homeowners Assistance Program. Construction accounts provide funding for new construction, improvements and the Federal Government share of housing privatization. Operation and maintenance accounts fund costs associated with the maintenance and leasing of military family housing, including utilities, services, management, and furnishings.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,650,781,000 for Family Housing Construction, Operations and Maintenance, and the Department's family housing improvement fund for fiscal year 2013. This amount is \$32,165,000 below the fiscal year 2012 enacted level and equal to the budget request.

FAMILY HOUSING CONSTRUCTION, ARMY

Appropriations, 2012 .....	\$176,897,000
Budget estimate, 2013 .....	4,641,000
Committee recommendation .....	4,641,000

PROGRAM DESCRIPTION

The family housing appropriation for the Army provides for expenses of family housing for construction, including acquisition, replacement, addition, expansion, extension, and alteration. This appropriation provides for the financing of all costs for construction, improvements, and leasing of all Army housing. In addition to quality-of-life enhancements, the program contains initiatives to reduce operating costs and conserve energy by upgrading or replacing facilities which can be made more efficient through relatively modest investments in improvements. The Department of Defense is authorized to use limited partnerships, make direct and guaranteed loans, and convey Department-owned property to stimulate the private sector to increase the availability of affordable, quality housing for the Army.

COMMITTEE RECOMMENDATION

The Committee recommends \$4,641,000 for Army Family Housing Construction in fiscal year 2013, an amount equal to the budget request and \$172,256,000 below the fiscal year 2012 enacted level, a decrease of 97.5 percent. This reduction reflects the completion of the Army’s scheduled housing privatization through the Residential Community Initiative [RCI], and the elimination of inadequate housing stock. Accordingly, fiscal year 2013 funding is for planning and design purposes only. The Committee encourages the Army to evaluate the effect that the planned reduction in Army force structure will have on the occupancy and viability of its privatized family housing projects.

FAMILY HOUSING OPERATION AND MAINTENANCE, ARMY

Appropriations, 2012 .....	\$493,458,000
Budget estimate, 2013 .....	530,051,000
Committee recommendation .....	530,051,000

PROGRAM DESCRIPTION

The family housing operation and maintenance appropriation for the Army provides for the operation and maintenance of family housing. This includes debt payment, leasing, minor construction, principal and interest charges, and insurance premiums of Army family housing.

COMMITTEE RECOMMENDATION

The Committee recommends \$530,051,000 for family housing operation and maintenance, Army for fiscal year 2013. This amount is \$36,593,000 above the fiscal year 2012 enacted level and equal to the budget request.

FAMILY HOUSING CONSTRUCTION, NAVY AND MARINE CORPS

Appropriations, 2012 .....	\$100,972,000
Budget estimate, 2013 .....	102,182,000
Committee recommendation .....	102,182,000

PROGRAM DESCRIPTION

The family housing appropriation for the Navy and Marine Corps provides for expenses of family housing for construction, including acquisition, replacement, addition, expansion, extension, and alteration. This appropriation provides for the financing of all costs for construction, improvements, and leasing of all Navy and Marine Corps housing. In addition to quality-of-life enhancements, the program contains initiatives to reduce operating costs and conserve energy by upgrading or replacing facilities which can be made more efficient through relatively modest investments in improvements. The Department of Defense is authorized to use limited partnerships, make direct and guaranteed loans, and convey Department-owned property to stimulate the private sector to increase the availability of affordable, quality housing for the Navy and Marine Corps.

## COMMITTEE RECOMMENDATION

The Committee recommends \$102,182,000 for Family Housing Construction, Navy and Marine Corps, including construction improvements, in fiscal year 2013. This amount is \$1,210,000 above the fiscal year 2012 enacted level and equal to the budget request.

## CONSTRUCTION

The Committee recommends \$4,527,000 for planning and design for new construction.

## CONSTRUCTION IMPROVEMENTS

The following projects are to be accomplished within the amounts provided for construction improvements:

## NAVY AND MARINE CORPS CONSTRUCTION IMPROVEMENTS

[In thousands of dollars]

Location	Installation	Project title	Budget request	Committee recommendation
Washington .....	NAVSUBASE, West Sound.	Northwest Region Privatization PH II .....	27,500	27,500
Guam .....	NAVBASE, Guam ...	Revitalize Family Housing—Enlisted and Officer.	28,831	28,831
Japan .....	NAF Atsugi .....	Revitalize Family Housing—Enlisted and Officer.	14,025	14,025
Japan .....	CFA Yokosuka .....	Revitalize Family Housing—Enlisted and Officer.	7,874	7,874
Japan .....	MCAS Iwakuni .....	Revitalize Family Housing—Enlisted .....	17,510	17,510
Japan .....	MCAS Iwakuni .....	Family Housing Site Improvements .....	1,915	1,915
Total .....	.....	.....	97,655	97,655

## FAMILY HOUSING OPERATION AND MAINTENANCE, NAVY AND MARINE CORPS

Appropriations, 2012 .....	\$367,863,000
Budget estimate, 2013 .....	378,230,000
Committee recommendation .....	378,230,000

## PROGRAM DESCRIPTION

The family housing operation and maintenance appropriation for the Navy and Marine Corps provides for the operation and maintenance of family housing. This includes debt payment, leasing, minor construction, principal and interest charges, and insurance premiums of Navy and Marine Corps family housing.

## COMMITTEE RECOMMENDATION

The Committee recommends \$378,230,000 for family housing operation and maintenance, Navy and Marine Corps, in fiscal year 2013. This amount is \$10,367,000 above the fiscal year 2012 enacted level and equal to the budget request.

## FAMILY HOUSING CONSTRUCTION, AIR FORCE

Appropriations, 2012 .....	\$60,042,000
Budget estimate, 2013 .....	83,824,000
Committee recommendation .....	83,824,000



## PROGRAM DESCRIPTION

The family housing appropriation for the Air Force provides for expenses of family housing for construction, including acquisition, replacement, addition, expansion, extension, and alteration. This appropriation provides for the financing of all costs for construction, improvements and leasing of all Air Force housing. In addition to quality-of-life enhancements, the program contains initiatives to reduce operating costs and conserve energy by upgrading or replacing facilities which can be made more efficient through relatively modest investments in improvements. The Department of Defense is authorized to use limited partnerships, make direct and guaranteed loans, and convey Department-owned property to stimulate the private sector to increase the availability of affordable, quality housing for the Air Force.

## COMMITTEE RECOMMENDATION

The Committee recommends \$83,824,000 for Family Housing Construction, Air Force, in fiscal year 2013. This amount is \$23,782,000 above the fiscal year 2012 enacted level and equal to the budget request.

## CONSTRUCTION

The Committee recommends \$4,253,000 for planning and design for new construction.

## CONSTRUCTION IMPROVEMENTS

The following projects are to be accomplished within the amounts provided for construction improvements:

## AIR FORCE CONSTRUCTION IMPROVEMENTS

[In thousands of dollars]

Location	Installation	Project title	Budget request	Committee recommendation
Japan .....	Kadena AB .....	Improve Infrastructure, Phase 2 .....	32,558	32,558
Japan .....	Misawa AB .....	Improve Military Family Housing Infrastructure, Phase 2.	30,090	30,090
Japan .....	Misawa AB .....	Improve Family Housing (416 units) .....	16,923	16,923
Total .....	.....	.....	79,571	79,571

## FAMILY HOUSING OPERATION AND MAINTENANCE, AIR FORCE

Appropriations, 2012 .....	\$429,523,000
Budget estimate, 2013 .....	497,829,000
Committee recommendation .....	497,829,000

## PROGRAM DESCRIPTION

The family housing operation and maintenance appropriation for the Air Force provides for the operation and maintenance of family housing. This includes debt payment, leasing, minor construction, principal and interest charges, and insurance premiums of Air Force family housing.

COMMITTEE RECOMMENDATION

The Committee recommends \$497,829,000 for family housing operation and maintenance, Air Force, in fiscal year 2013. This amount is \$68,306,000 above the fiscal year 2012 enacted level and equal to the budget request.

FAMILY HOUSING OPERATION AND MAINTENANCE, DEFENSE-WIDE

Appropriations, 2012 .....	\$50,723,000
Budget estimate, 2013 .....	52,238,000
Committee recommendation .....	52,238,000

PROGRAM DESCRIPTION

The Family Housing Operation and Maintenance appropriation for Defense-Wide provides for the operation and maintenance of family housing. This includes debt payment, leasing, minor construction, principal and interest charges, and insurance premiums of Defense family housing.

COMMITTEE RECOMMENDATION

The Committee recommends \$52,238,000 for family housing operation and maintenance, Defense-Wide, for fiscal year 2013. This amount is \$1,515,000 above the fiscal year 2012 enacted level and equal to the budget request.

FAMILY HOUSING IMPROVEMENT FUND

Appropriations, 2012 .....	\$2,184,000
Budget estimate, 2013 .....	1,786,000
Committee recommendation .....	1,786,000

PROGRAM DESCRIPTION

The family housing improvement appropriation provides for the Department of Defense to undertake housing initiatives and to provide an alternative means of acquiring and improving military family housing and supporting facilities. This account provides seed money for housing privatization initiatives.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,786,000 for the Family Housing Improvement Fund for fiscal year 2013. This amount is \$398,000 below the fiscal year 2012 enacted level and equal to the budget request.

HOMEOWNERS ASSISTANCE FUND

Appropriations, 2012 .....	\$1,284,000
Budget estimate, 2013 .....	
Committee recommendation .....	

PROGRAM DESCRIPTION

The Homeowners Assistance Program [HAP] provides funds to assist eligible military personnel and civilian Federal employee homeowners who sustain a loss on the sale of their primary residence due to a declining residential real estate market attributable

to the closure or realignment of a military installation. In Public Law 111–5, the American Recovery and Reinvestment Act of 2009, the HAP was expanded to provide mortgage relief to wounded warriors and spouses of fallen warriors, and to provide temporary mortgage relief to all military and qualified civilian personnel required by the Department to relocate who sustained losses on the sale of their homes due to the mortgage crisis. Program expenses include payments to homeowners for losses on private sales; cost of judicial foreclosure; property acquisition by liquidating and/or assuming outstanding mortgages; partial payment of homeowners’ lost equity on Government acquisitions; retirement of debt after sale of properties when the Government assumes mortgages; and administrative expenses.

COMMITTEE RECOMMENDATION

The Department of Defense requested no funding for the Homeowners Assistance Program for fiscal year 2013. The Committee recommendation, therefore, does not include any funding for this account for fiscal year 2013. According to justification data provided by the Department, sufficient balances from previous appropriations and revenue generated from the sale of Government-owned homes remain available in the HAP account to fund current year program expenses, which include payments-in-progress and pending claims.

CHEMICAL DEMILITARIZATION CONSTRUCTION, DEFENSE-WIDE

Appropriations, 2012 .....	\$75,312,000
Budget estimate, 2013 .....	151,000,000
Committee recommendation .....	151,000,000

PROGRAM DESCRIPTION

This account provides funding for design and construction of full-scale chemical disposal facilities and associated projects to upgrade installation support facilities and infrastructure required to support the Chemical Demilitarization Program. This account was established starting in fiscal year 2005 to comply with section 141(b) of the fiscal year 2003 National Defense Authorization Act.

COMMITTEE RECOMMENDATION

The Committee recommends \$151,000,000 for chemical demilitarization construction projects for fiscal year 2013, an increase of \$75,688,000 above the fiscal year 2012 enacted level and equal to the budget request.

The Committee continues to urge the Department to take all necessary and appropriate steps to dispose of the U.S. chemical weapons stockpile by the 2012 Chemical Weapons Convention deadline and, under no circumstances, later than 2017 consistent with section 8119 of Public Law 110–116. In light of the need for the Department to carry out its mission promptly and safely, it will need to provide close oversight over the execution of contracts at the chemical demilitarization sites to ensure funds are spent prudently and efficiently. The Committee will continue to monitor closely the Department’s compliance with both deadlines.

### BASE CLOSURE ACCOUNT 1990

Appropriations, 2012 .....	\$323,543,000
Budget estimate, 2013 .....	349,396,000
Committee recommendation .....	349,396,000

#### PROGRAM DESCRIPTION

The base closure appropriation (1990) provides for cleanup and disposal of property consistent with the four closure rounds required by the base closure acts of 1988 and 1990.

#### COMMITTEE RECOMMENDATION

The Committee recommends a total of \$349,396,000 for the Base Closure Account 1990 for fiscal year 2013. This amount is \$25,853,000 above the fiscal year 2012 enacted level and equal to the budget request.

#### BASE CLOSURE ACCOUNT 1990 ENVIRONMENTAL OVERVIEW

From fiscal year 1990 through fiscal year 2012, a total of \$25,654,383,000 has been appropriated for the environmental cleanup of military installations closed or realigned under prior BRAC rounds. The cumulative amount appropriated for BRAC 1990, combined with the Committee recommendation for fiscal year 2013, is \$26,003,779,000.

In appropriating these funds, the Committee continues to provide the Department with broad flexibility to allocate funds by service, function, and installation. The following table displays the total amount appropriated for each round of prior base closures, including amounts recommended for fiscal year 2013 for BRAC 1990.

#### BASE CLOSURE ACCOUNT 1990

[Total funding, fiscal year 1990 through fiscal year 2013]

	1990-2011	Fiscal year		Total
		2012 enacted	2013 Committee recommendation	
Part I .....	\$2,684,577,000	( <sup>1</sup> )	( <sup>1</sup> )	\$2,684,577,000
Part II .....	4,915,636,000	( <sup>1</sup> )	( <sup>1</sup> )	4,915,636,000
Part III .....	7,269,267,000	( <sup>1</sup> )	( <sup>1</sup> )	7,269,267,000
Part IV .....	10,461,360,000	\$323,543,000	\$349,396,000	11,134,299,000
<b>Total .....</b>	<b>25,330,840,000</b>	<b>323,543,000</b>	<b>349,396,000</b>	<b>26,003,779,000</b>

<sup>1</sup> Not applicable.

### BASE CLOSURE ACCOUNT 2005

Appropriations, 2012 .....	\$258,776,000
Budget estimate, 2013 .....	126,697,000
Committee recommendation .....	126,697,000

#### PROGRAM DESCRIPTION

The base realignment and closure appropriation for 2005 provides for cleanup and disposal of property consistent with the 2005 closure round required by the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. 2687 note).

## COMMITTEE RECOMMENDATION

The Committee recommends a total of \$126,697,000 for the Department of Defense Base Closure Account 2005 for fiscal year 2013. This amount is \$132,079,000 below the fiscal year 2012 enacted level and equal to the budget request. Funds provided for fiscal year 2013 are for environmental cleanup and ongoing operations and maintenance.

## ADMINISTRATIVE PROVISIONS

SEC. 101. The Committee includes a provision that restricts payments under a cost-plus-a-fixed-fee contract for work, except in cases of contracts for environmental restoration at base closure sites.

SEC. 102. The Committee includes a provision that permits use of funds for hire of passenger motor vehicles.

SEC. 103. The Committee includes a provision that permits use of funds for defense access roads.

SEC. 104. The Committee includes a provision that prohibits construction of new bases inside the continental United States for which specific appropriations have not been made.

SEC. 105. The Committee includes a provision that limits the use of funds for purchase of land or land easements.

SEC. 106. The Committee includes a provision that prohibits the use of funds to acquire land, prepare a site, or install utilities for any family housing except housing for which funds have been made available.

SEC. 107. The Committee includes a provision that limits the use of minor construction funds to transfer or relocate activities among installations.

SEC. 108. The Committee includes a provision that prohibits the procurement of steel unless American producers, fabricators, and manufacturers have been allowed to compete.

SEC. 109. The Committee includes a provision that prohibits payments of real property taxes in foreign nations.

SEC. 110. The Committee includes a provision that prohibits construction of new bases overseas without prior notification.

SEC. 111. The Committee includes a provision that establishes a threshold for American preference of \$500,000 relating to architect and engineering services for overseas projects.

SEC. 112. The Committee includes a provision that establishes preference for American contractors for military construction in the United States territories and possessions in the Pacific, and on Kwajalein Atoll, or in countries bordering the Arabian Sea.

SEC. 113. The Committee includes a provision that requires notification of military exercises involving construction in excess of \$100,000.

SEC. 114. The Committee includes a provision that limits obligations during the last 2 months of the fiscal year.

SEC. 115. The Committee includes a provision that permits funds appropriated in prior years to be available for construction authorized during the current session of Congress.

SEC. 116. The Committee includes a provision that permits the use of expired or lapsed funds to pay the cost of supervision for any project being completed with lapsed funds.

SEC. 117. The Committee includes a provision that permits obligation of funds from more than 1 fiscal year to execute a construction project, provided that the total obligation for such project is consistent with the total amount appropriated for the project.

SEC. 118. The Committee includes a provision that allows transfer of proceeds from earlier base closure accounts to the continuing base closure account (1990, parts I–IV).

SEC. 119. The Committee includes a provision that permits the transfer of funds from Family Housing Construction accounts to the DOD Family Housing Improvement Fund and from Military Construction accounts to the DOD Military Unaccompanied Housing Improvement Fund.

SEC. 120. The Committee includes a provision that provides transfer authority to the Homeowners Assistance Fund.

SEC. 121. The Committee includes a provision that requires that all acts making appropriations for military construction be the sole funding source of all operation and maintenance for family housing, including flag and general officer quarters, and limits the repair on flag and general officer quarters to \$35,000 per unit per year without prior notification to the congressional defense committees.

SEC. 122. The Committee includes a provision that provides authority to expend funds from the “Ford Island Improvement” account.

SEC. 123. The Committee includes a provision that prohibits the expenditure of funds at installations or for projects no longer necessary as a result of BRAC 2005.

SEC. 124. The Committee includes a provision that allows the transfer of expired funds to the Foreign Currency Fluctuation, Construction, Defense Account.

SEC. 125. The Committee includes a provision that allows the reprogramming of military construction and family housing construction funds among projects and activities within the account in which they are funded.

SEC. 126. The Committee includes a provision that prohibits the obligation or expenditure of funds under this title for planning and design and construction projects at Arlington National Cemetery.

TITLE II  
DEPARTMENT OF VETERANS AFFAIRS  
ITEMS OF SPECIAL INTEREST  
HEARINGS

The Subcommittee on Military Construction and Veterans Affairs, and Related Agencies held one hearing related to the fiscal year 2013 Department of Veterans Affairs [VA] budget request on March 15, 2012. The subcommittee heard testimony from the Honorable Eric Shinseki, Secretary of the Department of Veterans Affairs.

SUMMARY OF COMMITTEE RECOMMENDATIONS

The Committee recommendation includes \$135,636,648,000 for the Department of Veterans Affairs for fiscal year 2013, including \$74,638,167,000 in mandatory spending and \$60,998,481,000 in discretionary spending. The Committee also recommends \$54,462,000,000 in advance appropriations for veterans medical care for fiscal year 2014.

DEPARTMENT OVERVIEW

The Veterans Administration was established on July 21, 1930, as an independent agency by Executive Order 5398, in accordance with the Act of July 3, 1930 (46 Stat. 1016). This act authorized the President to consolidate and coordinate Federal agencies specially created for or concerned with the administration of laws providing benefits to veterans, including the Veterans' Bureau, the Bureau of Pensions, and the National Home for Disabled Volunteer Soldiers. On March 15, 1989, the Veterans Administration was elevated to Cabinet-level status as the Department of Veterans Affairs.

The VA's mission is to serve America's veterans and their families as their principal advocate in ensuring they receive the care, support, and recognition they have earned in service to the Nation. As of September 30, 2011, there were an estimated 22.2 million living veterans, with 22.1 million of them residing in the United States and Puerto Rico. There were an estimated 34 million dependents (spouses and dependent children) of living veterans in the United States and Puerto Rico, and there were 540,000 survivors of deceased veterans receiving VA survivor benefits in the United States and Puerto Rico. Thus, more than 56.6 million people, or 18 percent of the total estimated resident population of the United States and Puerto Rico, were recipients or potential recipients of veterans benefits from the Federal Government. The VA's operating units include the Veterans Benefits Administration, Veterans

Health Administration, National Cemetery Administration, and staff support offices.

The Veterans Benefits Administration [VBA] provides an integrated program of nonmedical veterans benefits. The VBA administers a broad range of benefits to veterans and other eligible beneficiaries through 57 regional offices and a records processing center in St. Louis, Missouri. The benefits provided include: compensation for service-connected disabilities; pensions for wartime, needy, and totally disabled veterans; vocational rehabilitation assistance; educational and training assistance; home buying assistance; estate protection services for veterans under legal disability; information and assistance through personalized contacts; and six life insurance programs.

The Veterans Health Administration [VHA] develops, maintains, and operates a national healthcare delivery system for eligible veterans; carries out a program of education and training of healthcare personnel; conducts medical research and development; and furnishes health services to members of the Armed Forces during periods of war or national emergency. A system of 153 hospitals, 1,102 outpatient clinics and Vet Centers, 133 nursing homes, and 107 VA residential rehabilitation treatment programs is maintained to meet the VA's medical mission.

The National Cemetery Administration [NCA] provides for the interment of the remains of eligible deceased servicemembers and discharged veterans in any national cemetery with available grave space; permanently maintains these graves; provides headstones and markers for the graves of eligible persons in national and private cemeteries; administers the grant program for aid to States in establishing, expanding, or improving State veterans cemeteries; and provides certificates to families of deceased veterans recognizing their contributions and service to the Nation. The National Cemetery Administration operates 131 national cemeteries and 33 soldiers' lots and monument sites.

Staff support offices include the Office of Inspector General, Boards of Contract Appeals and Veterans Appeals, and General Administration offices, which support the Secretary, Deputy Secretary, Under Secretary for Benefits, Under Secretary for Health, Under Secretary for Memorial Affairs, and General Counsel.

*Budget Justifications.*—Congressional budget justifications are developed each year by the Department to provide a more detailed explanation and supplemental information on the budget submission for a given fiscal year. The Committee utilizes this information to effectively and efficiently evaluate resource requirements and proposals requested by the administration. The Committee is concerned the justifications continue to lack specificity and the degree of detail needed to ensure informed and timely evaluation of requested funds and proper oversight of a Department the size of the VA. The Committee has included specific directions in the appropriate place within this report outlining the type of details future justifications should include.

*Multiple and Uncoordinated Veteran Employment Web Sites.*—In 2011, the unemployment rate among Operation Iraqi Freedom, Operation Enduring Freedom, and Operation New Dawn veterans was 12 percent, four points higher than the average civilian unemploy-



ment rate. The unemployment rate of male veterans between ages 18–24 was 29 percent, almost double that of their civilian peers. There are currently over 847,000 unemployed veterans. While these numbers are declining, they remain staggering. Multiple Government agencies, including the Department of Veterans Affairs, Department of Defense, and Department of Labor possess resources aimed at enhancing veterans’ transition into the civilian workforce.

The Committee is concerned about multiple and uncoordinated job Web sites across the Government as well as the absence of a single coordinating actor or agency for leading this effort. The Committee recommends the establishment of a single, coordinated portal that serves as a one-stop shop for veterans’ job opportunities. This Web site should leverage existing technology developed by the private sector and Government agencies, be interoperable with existing private sector job resources, and provide servicemembers and veterans with skill and military occupational specialty translation services.

The Committee directs the VA to submit to the Committees on Appropriations of both Houses of Congress, within 90 days of enactment of this act, a report outlining the feasibility and cost of developing and deploying a single Web site to serve as a central portal for military servicemembers and veterans’ employment. This report should also identify all Government-owned and operated or Government-owned and contractor-operated job listing Web sites. The report should assess the potential cost savings for eliminating duplicative veterans’ employment Web sites across the Federal Government, including any within the Department of Labor, Department of Defense, Office of Personnel Management, and any other Federal agencies.

*Military and Civilian Skills Translation.*—Currently, most servicemembers do not transition to civilian life with certifications for the job functions they completed in the military. The Department of Defense has traditionally viewed this as a retention issue, but in the face of looming force reductions, this is an immediate problem. The VOW to Hire Heroes Act took the first step in addressing this shortfall by requiring the Department of Veterans Affairs, in partnership with the Department of Defense and Department of Labor, to examine the issue.

The Committee strongly urges the Department of Veterans Affairs to accelerate these efforts and ensure that as servicemembers separate, they possess either the credentials or precertification exam credit for the job functions for which they are qualified.

VETERANS BENEFITS ADMINISTRATION

Appropriations, 2012 .....	\$63,921,095,000
Budget estimate, 2013 .....	74,797,435,000
Committee recommendation .....	74,797,435,000

ADMINISTRATION OVERVIEW

The Veterans Benefits Administration [VBA] is responsible for the payment of compensation and pension benefits to eligible service-connected disabled veterans, as well as education benefits and housing loan guarantees.

COMMITTEE RECOMMENDATION

The Committee recommends \$74,797,435,000 for the Veterans Benefits Administration. This amount is composed of \$61,741,232,000 for Compensation and pensions; \$12,607,476,000 for Readjustment benefits; \$104,600,000 for Veterans insurance and indemnities; \$184,859,000 for the Veterans housing benefit program fund, with \$157,814,000 for administrative expenses; \$19,000 for the Vocational rehabilitation loans program account, with \$346,000 for administrative expenses; and \$1,089,000 for the Native American veteran housing loan program account.

COMPENSATION AND PENSIONS

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2012 .....	\$51,237,567,000
Budget estimate, 2013 .....	61,741,232,000
Committee recommendation .....	61,741,232,000

PROGRAM DESCRIPTION

Compensation is payable to living veterans who have suffered impairment of earning power from service-connected disabilities. The amount of compensation is based upon the impact of disabilities on a veteran's earning capacity. Death compensation or dependency and indemnity compensation is payable to the surviving spouses and dependents of veterans whose deaths occur while on active duty or result from service-connected disabilities. A clothing allowance may also be provided for service-connected veterans who use a prosthetic or orthopedic device. In fiscal year 2013, the Department estimates it will obligate \$59,591,390,000 for payments to 3,626,468 veterans, 356,796 survivors, and 1,151 dependents receiving special benefits.

Pensions are an income security benefit payable to needy wartime veterans who are precluded from gainful employment due to nonservice-connected disabilities which render them permanently and totally disabled. Public Law 107-103, the Veterans Education and Benefits Expansion Act of 2001, restored the automatic presumption of permanent and total nonservice connected disability for purposes of awarding a pension to veterans age 65 and older, subject to the income limitations that apply to all pensioners. Death pensions are payable to needy surviving spouses and children of deceased wartime veterans. The rate payable for both disability and death pensions is determined on the basis of the annual income of the veteran or their survivors. In fiscal year 2013, the Department estimates that the Pensions program will provide benefits to 314,154 veterans and 205,797 survivors totaling \$4,931,133,000.

The Compensation and Pensions program funds certain burial benefits on behalf of eligible deceased veterans. These benefits provide the purchase and transportation costs for headstones and markers, graveliners, and pre-placed crypts; and provides partial reimbursement for privately purchased outer burial receptacles. In fiscal year 2013, the Department estimates the Compensation and Pensions program will obligate \$220,871,000 providing burial benefits. This funding will provide 47,605 burial allowances, 34,254 bur-

ial plot allowances, 17,680 service-connected death awards, 500,002 burial flags, 350,027 headstones or markers, and 91,314 graveliners or reimbursement for privately purchased outer burial receptacles.

COMMITTEE RECOMMENDATION

The Committee recommends \$61,741,232,000 for Compensation and pensions. This is an increase of \$10,503,665,000 above the fiscal year 2012 enacted level and equal to the budget request. In addition to the amounts provided to the VBA's Compensation and pensions account, the Department estimates it will carry forward into fiscal year 2013 \$3,002,162,000 in unobligated balances. The Committee recommendation together with the anticipated unobligated balances will provide total resources of \$64,743,394,000 for Compensation and pensions.

The appropriation includes \$9,204,000 in payments to the General operating expenses, veterans benefits administration; Medical support and compliance; and Information technology systems accounts for expenses related to implementing provisions of the Omnibus Budget Reconciliation Act of 1990, the Veterans' Benefits Act of 1992, the Veterans' Benefits Improvements Act of 1994, and the Veterans' Benefits Improvements Act of 1996.

READJUSTMENT BENEFITS

Appropriations, 2012 .....	\$12,108,488,000
Budget estimate, 2013 .....	12,607,476,000
Committee recommendation .....	12,607,476,000

PROGRAM DESCRIPTION

The Readjustment benefits appropriation finances the education and training of veterans and servicemembers under chapters 30, 31, 32, 33, 34, 35, 36, 37, 39, 41, 42 and 43 of title 38, United States Code. These benefits include the All-Volunteer Force Educational Assistance Program (Montgomery GI bill) and the Post 9/11 Educational Assistance Program. Basic benefits are funded through appropriations made to the readjustment benefits appropriation and by transfers from the Department of Defense. This account also finances vocational rehabilitation, specially adapted housing grants, specially adapted automobile grants for certain disabled veterans, and educational assistance allowances for eligible dependents of those veterans who died from service-connected causes or who have a total permanent service-connected disability, as well as dependents of servicemembers who were captured or missing in action.

COMMITTEE RECOMMENDATION

The Committee recommends \$12,607,476,000 for Readjustment benefits. This is an increase of \$498,988,000 above the fiscal year 2012 enacted level and equal to the budget request.

*Veterans Retraining Assistance Program.*—The Committee recommendation for Readjustment benefits includes full funding for the Veterans Retraining Assistance Program [VRAP]. VRAP, a joint effort between the Department of Veterans Affairs and the Department of Labor, was established in title II of Public Law 112–

56, the VOW to Hire Heroes Act of 2011. Beginning on July 1, 2012, VRAP will provide up to 12 months of retraining assistance to veterans who are unemployed and received anything other than a dishonorable discharge. Veterans must be at least 35 years of age, but not more than 60 years of age and have no eligibility remaining for other education benefits. Veterans participating in this program will receive monthly payments equal to the 3-year payment rate under the Montgomery GI Bill (currently \$1,473 per month). VA estimates it will obligate \$1,100,662,000 in fiscal year 2013 on the VRAP program.

*Education Counseling Services.*—The Committee is concerned that a majority of veterans receiving education benefits provided by the Department are not requesting education counseling services available to them pursuant to section 3697A of title 38. The Committee directs the Department to perform outreach activities to better inform veterans about this benefit in order to achieve higher rates of utilization. In addition, the Committee directs the Secretary to submit a report to the Committees on Appropriations of both Houses of Congress no later than 90 days after enactment of this act detailing the Department’s education counseling services provided to veterans pursuant to section 3697A of title 38. This report should include: (1) the number of veterans requesting this counseling in fiscal years 2010, 2011 and 2012; (2) the specific information that is provided to veterans in a counseling session including any data provided on educational institutions; and (3) an outreach plan to better inform veterans about the availability of education counseling.

VETERANS INSURANCE AND INDEMNITIES

Appropriations, 2012 .....	\$100,252,000
Budget estimate, 2013 .....	104,600,000
Committee recommendation .....	104,600,000

PROGRAM DESCRIPTION

The Veterans insurance and indemnities appropriation consists of the former appropriations for military and naval insurance, applicable to World War I veterans; National Service Life Insurance, applicable to certain World War II veterans; servicemen’s indemnities, applicable to Korean conflict veterans; and veterans mortgage life insurance to individuals who have received a grant for specially adapted housing.

COMMITTEE RECOMMENDATION

The Committee recommends \$104,600,000 for Veterans insurance and indemnities. This is an increase of \$4,348,000 above the fiscal year 2012 enacted level and equal to the budget request. The Department estimates there will be 7,028,751 policies in force in fiscal year 2013 with a value of \$1,350,990,000,000.

## VETERANS HOUSING BENEFIT PROGRAM FUND

	Program account	Administrative expenses
Appropriations, 2012 .....	\$318,612,000	\$154,698,000
Budget estimate, 2013 .....	184,859,000	157,814,000
Committee recommendation .....	184,859,000	157,814,000

## PROGRAM DESCRIPTION

The Veterans housing benefit program fund provides for all costs associated with the VA's direct and guaranteed housing loan programs, with the exception of the Native American veteran housing loan program.

VA loan guaranties are made to servicemembers, veterans, reservists, and unremarried surviving spouses for the purchase of homes, condominiums, and manufactured homes, and for refinancing loans. VA guarantees part of the total loan, permitting the purchaser to obtain a mortgage with a competitive interest rate, even without a downpayment, if the lender agrees. The VA requires that a downpayment be made for a manufactured home. With a VA guaranty, the lender is protected against loss up to the amount of the guaranty if the borrower fails to repay the loan.

## COMMITTEE RECOMMENDATION

The Committee recommends such sums as may be necessary for funding subsidy payments, estimated to total \$184,859,000; and \$157,814,000 for administrative expenses for fiscal year 2013. Bill language limits gross obligations for direct loans for specially adapted housing to \$500,000.

## VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT

	Program account	Administrative expenses
Appropriations, 2012 .....	\$19,000	\$343,000
Budget estimate, 2013 .....	19,000	346,000
Committee recommendation .....	19,000	346,000

## PROGRAM DESCRIPTION

The Vocational rehabilitation loans program account covers the cost of direct loans for vocational rehabilitation of eligible veterans and, in addition, includes administrative expenses necessary to carry out the direct loan program. Loans of up to \$1,108 (based on the indexed chapter 31 subsistence allowance rate) are currently available to service-connected disabled veterans enrolled in vocational rehabilitation programs, as provided under 38 U.S.C. chapter 31, when the veteran is temporarily in need of additional assistance. Repayment is made in 10 monthly installments, without interest, through deductions from future payments of compensation, pension, subsistence allowance, educational assistance allowance, or retirement pay. Virtually all loans are repaid in full and most in less than 1 year.

## COMMITTEE RECOMMENDATION

The Committee recommends \$19,000 for program costs and \$346,000 for administrative expenses for the Vocational rehabilitation loans program account. The administrative expenses may be paid to the General operating expenses, veterans benefits administration account. Bill language is included limiting program direct loans to \$2,729,000. It is estimated that the VA will make 2,857 loans in fiscal year 2013, with an average amount of \$955.

## NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

Appropriations, 2012 .....	\$1,116,000
Budget estimate, 2013 .....	1,089,000
Committee recommendation .....	1,089,000

## PROGRAM DESCRIPTION

The Native American veteran housing loan program is authorized by 38 U.S.C. chapter 37, section 3761 to provide direct loans to Native American veterans living on trust lands. The loans are available to purchase, construct, or improve homes to be occupied as veteran residences, or to refinance a loan previously made under this program in order to lower the interest rate. The potential maximum loan amount under this authority ranges from \$417,000 in standard areas up to \$625,500 in high-cost areas. Veterans pay a funding fee of 1.25 percent of the loan amount, although veterans with a service-connected disability are exempt from paying the fee. Before a direct loan can be made, the veteran's tribal organization must sign a memorandum of understanding with the VA regarding the terms and conditions of the loan. The Native American Veteran Housing Loan Program began as a pilot program in 1993 and was made permanent by Public Law 109-233, the Veterans Housing Opportunity and Benefits Act of 2006.

## COMMITTEE RECOMMENDATION

The Committee recommends \$1,089,000 for administrative expenses associated with this program. This is \$27,000 below the fiscal year 2012 enacted level and equal to the budget request.

## VETERANS HEALTH ADMINISTRATION

Appropriations, 2012 .....	\$51,191,985,000
Advance appropriations, 2013 .....	52,541,000,000
Budget estimate, 2013 .....	747,674,000
Committee recommendation, 2013 .....	737,674,000
Budget estimate, advance appropriation, 2014 .....	54,462,000,000
Committee recommendation, advance appropriation, 2014 .....	54,462,000,000

## ADMINISTRATION OVERVIEW

The Veterans Health Administration [VHA] operates the largest Federal medical care delivery system in the country, with 153 hospitals, 1,102 outpatient clinics and Vet Centers, 133 nursing homes, and 107 VA residential rehabilitation treatment programs.

The Department of Veterans Affairs Medical Care Collections Fund [MCCF] was established by the Balanced Budget Act of 1997 (Public Law 105-33). In fiscal year 2004, Public Law 108-199 allowed the Department to deposit first-party and pharmaceutical co-

payments; third-party insurance payments and enhanced-use collections; long-term care co-payments; Compensated Work Therapy Program collections; Compensation and Pension Living Expenses Program collections; and Parking Program fees into the MCCF.

The Parking Program provides funds for the construction, alteration, and acquisition (by purchase or lease) of parking garages at VA medical facilities authorized by 38 U.S.C. 8109. The Secretary is required under certain circumstances to establish and collect fees for the use of such garages and parking facilities. Receipts from the parking fees are to be deposited into the MCCF and are used for medical services activities.

#### COMMITTEE RECOMMENDATION

In fiscal year 2012, the Committee provided \$52,541,000,000 in advance appropriations for the VA's medical care accounts for fiscal year 2013. This included \$41,354,000,000 for Medical services; \$5,746,000,000 for Medical support and compliance; and \$5,441,000,000 for Medical facilities. For fiscal year 2013, the Committee recommends an additional \$155,000,000 for Medical services. Additionally, the Committee recommendation includes \$582,674,000 for Medical and prosthetic research. Medical care collections are expected to be \$2,527,000,000. The recommendation also includes an advance appropriation of \$54,462,000,000 for veterans medical care for fiscal year 2014.

*Advance Appropriations Budgeting.*—The Committee remains supportive of providing advance appropriations for the three veterans medical care accounts. The intent of advance appropriations is to provide timely and predictable funding for veterans medical care and provide hospitals in the field certainty as clinical hiring decisions are made. The medical care budget is formed primarily by an actuarial analysis which factors in numerous data points including current and projected veteran population, enrollment projections, and case mix changes associated with current veteran patients. Due to the fact that medical care funding is provided a year in advance and that healthcare is dynamic in nature, the Department updates the actuarial model after the advance is provided, thus enabling the Department to make necessary changes in the following budget submission. The Committee appreciates this process and understands that the intention is to provide a clearer picture of medical needs. However, in the future, the Department must do a better job providing more detailed explanations within its justifications so that the Committee has an accurate and full view of how funding requests were determined. At a minimum, these explanations should include what data has been modified for the updated actuarial and how these changes have either produced savings or increased resource requirements. Additionally, the Department is directed to include in its budget justifications actual operational savings achieved in the previous 2 fiscal years so that a comparison can be made between actual and estimated savings.

#### AREAS OF INTEREST

*VA Nursing Academy.*—The Committee commends the VA for addressing the nursing shortage through the Veterans Affairs Nursing Academy. This pilot program established partnerships with

competitively selected nursing schools to expand the number of teaching faculty in VA facilities and affiliated nursing schools in order to increase student enrollment in baccalaureate nursing programs. The Committee notes the VA's realization of a net-positive value for the pilot overall and urges the VA to continue its collaboration with the Department of Defense through the Uniformed Services University of the Health Services [USUHS] by providing nurse faculty and nursing students in the graduate nursing education programs through the external evaluation period.

*Advanced Nursing Education.*—The Committee urges the VA, in conjunction with accredited schools of nursing, to explore the development of a fast-track doctoral training program which would facilitate completion of a doctorate in nursing by qualified nurses employed within the VA network who possess a bachelor of science in nursing.

*Licensing Requirements at DOD/VA Collocated Facilities.*—In fiscal year 2012, the Committee directed the Department of Veterans Affairs and the Department of Defense to examine ways in which duplicative licensing requirements at collocated medical facilities might be eliminated. The findings of this examination were required to be reported to the Committees on Appropriations of both Houses of Congress. The Committee reiterates the expectation and importance that the VA submit this report. Upon receipt of the report, the Department is directed to provide regular reports on progress made in implementing any recommendations to streamline duplicative licensing requirements.

*Women Veterans.*—The percentage of women veterans is expected to rise significantly over the next 2 decades. As these female veterans enter the VA system, there is an urgent need for the Department to adapt older facilities to meet these changing demographics. The Committee urges VA to continue to upgrade facilities to address the needs of women veterans and veterans with children.

*Office of Health Information/Office of Informatics and Analytics.*—It is incumbent upon the Department to continually look for ways to streamline and improve upon its operations, ensuring that taxpayer money is used to veterans' greatest benefits. The Committee understands that the Department is undertaking a review of the Office of Health Information [OHI] and the Office of Informatics and Analytics [OIA]. If the review identifies duplication of functions with other offices within the Department, the Secretary should make modifications, as necessary, to eliminate such duplication. The Committee further directs that savings realized from any increased efficiencies resulting from realignment of functions of OHI and OIA be reprogrammed to critical needs in direct patient care, or to other areas of need as identified in the report. No later than October 1, 2012, the Department is directed to provide to the Committees on Appropriations of both Houses of Congress a report detailing the findings of this review, any savings realized, and how those savings were reprogrammed.

*Prosthetics.*—The VA supports a wide array of research in engineering and technology to improve the lives of veterans with disabilities, and it has long been a leader in the development of new prosthetic technologies. The Committee notes the diligence with which the VA works to align the prosthetics research portfolio with



the needs of the veteran community to ensure new and innovative products are available to veterans. The Committee is particularly interested in understanding the full spectrum of prosthetic research programs and projects, including research on “mechanical prosthetics,” to replace an amputated limb, to “neural prostheses,” which deliver small amounts of electrical stimulation to the nervous system. The Committee directs the Department to report to the Committees on Appropriations of both Houses of Congress by January 6, 2013, on all ongoing prosthetic programs and projects including, but not limited to, mechanical prosthetics and neural prostheses. The report should include information pertaining to the prosthetic needs of the veteran community and how ongoing research is contributing to the health and wellbeing of disabled veterans.

*Battery Life Testing.*—According to the VA, the Department does not consider service life comparisons in its evaluation criteria for battery purchases. The Committee is concerned that the VA may be spending more than necessary for batteries due to increased replacement costs. According to a May 2012 VA report to Congress on Life-Cycle Costs in VA Purchasing, the VA believes that “evaluation of life-cycle cost associated with low-cost, readily available commercial items would not be appropriate when competing vendors are bidding firm fixed prices for ‘brand name or equal’ products.”

Without test results, the VA has no way to know whether commercially available batteries have equivalent life-cycle costs. The Committee understands that the VA has recently issued a Request for Information on third-party capacity testing for zinc air batteries (VA79112I0031). These tests results should enable the VA to make more informed purchasing decisions. Therefore, the Committee directs the VA to submit a report to the Committees on Appropriations of both Houses of Congress no later than December 31, 2012, which includes the results of capacity tests by a third-party entity measuring service life for each type of battery purchased by the VA, and a comparison of batteries currently purchased by the VA with alternatives in the commercial market for the same type of battery. For each type of battery tested, this report should also include the quantity purchased by the VA in the most recently completed fiscal year and the unit price paid per battery.

MEDICAL SERVICES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2012 .....	\$39,649,985,000
Advance appropriations, 2013 .....	41,354,000,000
Budget estimate, 2013 .....	165,000,000
Committee recommendation, 2013 .....	155,000,000
Budget estimate, advance appropriation, 2014 .....	43,557,000,000
Committee recommendation, advance appropriation, 2014 .....	43,557,000,000

PROGRAM DESCRIPTION

The Medical services account provides for medical services of enrolled eligible veterans and certain dependent beneficiaries in VA medical centers, VA outpatient clinics, contract hospitals, State homes, and outpatient programs on a fee basis. Hospital and out-

patient care is also provided by the private sector for certain dependents and survivors of veterans under the civilian health and medical programs for the VA.

#### COMMITTEE RECOMMENDATION

In fiscal year 2012, the Committee provided an advance appropriation of \$41,354,000,000 for fiscal year 2013. The recommendation for fiscal year 2013 includes an additional \$155,000,000 instead of \$165,000,000 requested by the administration for the Medical services account. The additional funds provided will allow the VA to continue essential initiatives, assist in offsetting a projected decline in revenues, and provide additional resources for the Department to hire additional mental health providers. In addition, the VA has the authority to retain co-payments and third-party collections, estimated to total \$2,527,000,000 in fiscal year 2013.

The Committee recommendation also includes an advance appropriation of \$43,557,000,000 for medical services for fiscal year 2014. This is \$2,048,000,000 above the level for fiscal year 2013 and equal to the fiscal year 2014 budget request.

The fiscal year 2013 appropriation includes \$6,184,098,000 for mental healthcare; \$72,812,000 for suicide prevention; \$3,279,147 to provide medical care to Afghanistan and Iraq war veterans; \$222,000,000 for readjustment counseling services at Vet Centers; \$2,586,000,000 for prosthetics; and \$1,351,851,000 for specific homeless veterans programs.

*Homeless Veterans.*—The Committee commends the Department of Veterans Affairs on its continued efforts to both prevent and end homelessness among the veteran population. However, the Committee is concerned about the substantial number of wounded veterans suffering from post-traumatic stress disorder and traumatic brain injury who are at high risk for becoming homeless. The need for innovative, cost-effective strategies to prevent these particularly vulnerable veterans from becoming homeless is significant. Engaging older veterans to provide mentoring and social support in a residential setting for wounded veterans at risk of homelessness has potential as a preventive strategy that can also increase the efficiency of VA healthcare services while reducing demand and associated costs for both disabled and nondisabled veterans. The Committee strongly encourages the Department to work with community-based and intermediary organizations to develop pilot programs that will utilize such an intergenerational approach.

*Rural Healthcare.*—According to the Department of Veterans Affairs, veterans living in rural or highly rural areas account for 41 percent of all veterans enrolled in the VA system. Moreover, a disproportionately large number of Iraq and Afghanistan war veterans are from rural areas, many returning home with complicated physical and mental health conditions that require specialized or chronic healthcare not readily available in rural areas. As a result of these evolving demographics, the VA has ramped up its efforts to improve access and quality of care to rural veterans. The Committee welcomes this focus on rural veterans, and fully supports the \$250,000,000 for rural healthcare in the fiscal year 2013 budget request.

However, the Committee recognizes that the demand for VA services in rural areas will only increase and believes that the VA must do more to plan for and provide quality healthcare to veterans living in rural and highly rural areas. Travel barriers, including long distances to VA medical facilities and lack of public transportation, make it difficult for the VA to serve rural veterans. Also, lack of specialized care in rural areas, including mental healthcare, make it difficult for veterans to obtain quality care at home.

The VA is working to address these problems through a number of initiatives, including expanding the use and variety of telemedicine techniques, such as video consultations with practitioners, telephone healthcare monitoring and management, and audio-visual telemedicine diagnostic techniques. The Committee encourages the VA to pursue leading-edge telemedicine technology and innovative rural health demonstration projects, and to incorporate promising advances into its rural health delivery system.

The Committee recognizes the ongoing challenges of the Department of Veterans Affairs to recruit and retain highly qualified healthcare professionals, particularly mental health professionals, in rural areas. Further, the Committee believes that subsequent staffing shortages ultimately lead to higher out-of-pocket costs for veterans as well as decreased quality of care. To address these issues, the Committee directs the Veterans Health Administration to more thoroughly and aggressively evaluate and deploy innovative approaches to recruiting and retaining quality physicians, surgeons, mental health professionals, and other healthcare professionals in rural areas. These potential approaches should include additional flexibility for rural facilities to enhance salary offers and to offer contract incentives to qualified applicants. Additionally, the Committee urges the VA to investigate the feasibility of using innovative ways to rotate practitioners through rural areas, including Native American reservations, such as medical “circuit riders”, fully staffed mobile clinics that could be deployed to rural locations on extended schedules, and cooperative ventures using community hospitals or clinics as platforms for providing VA healthcare services.

*Mental Health.*—Access to VA’s mental health services is imperative given the number of Iraq and Afghanistan war veterans suffering from combat related mental health problems. The Committee remains very concerned about the ability of veterans suffering from combat related mental health conditions to access clinical care in a timely manner. Veterans Health Administration policy requires all first-time patients referred to or requesting mental health services to receive an initial evaluation within 24 hours and a more comprehensive diagnostic and treatment planning evaluation within 14 days. The 24-hour evaluation is key in identifying those patients who require immediate clinical care. On April 23, 2012, the Office of the Inspector General [IG] issued a report that reviewed veterans’ access to mental healthcare. The report highlighted that VHA lacks a reliable way of determining whether veterans have timely access to mental health services. Additionally, the IG review found that first-time patients have not uniformly been provided timely mental health evaluations and existing patients often wait-

ed more than 14 days past their desired date for their appointment. The VA's Undersecretary for Health concurred with the IG's findings and stated the VHA would act rapidly on implementing changes that would improve access to mental healthcare. Moreover, the Department recently announced that it would add an additional 1,600 mental health clinicians and 300 support staff as part of an ongoing review of mental health operations. The Committee supports this effort and directs the VA to provide the Committees on Appropriations of both Houses of Congress, no later than 60 days after enactment of this act, a detailed staffing plan and timeline to add these additional personnel.

*National Center for Post-Traumatic Stress Disorder.*—One of the most pressing concerns facing our country's community of veterans is the increasing prevalence and severity of post-traumatic stress disorder [PTSD]. Not only does PTSD continue to adversely affect our Vietnam veterans, but a new generation of veterans who have served in Iraq and Afghanistan are now returning home to suffer from what some have called "the invisible wounds of war". Given the immense and immediate nature of this problem and the great strides in PTSD research made by the VA's National Center for PTSD, last year the Committee noted with concern the \$7,363,000, or almost 33-percent decrease, in the President's budget request for this essential program in fiscal year 2012 as compared to the fiscal year 2011 request. This year, the administration has requested a minor increase of \$164,000 over fiscal year 2012. In the coming fiscal years, the Committee strongly encourages the Department to accelerate funding for PTSD programs.

*Access to Care.*—Hawaii and Alaska present unique challenges for the VA in delivering timely healthcare. For instance, if the VA does not provide a particular healthcare service within the VHA system, Hawaii and Alaska veterans are often directed to fly thousands of miles to a VA hospital within the continental United States, regardless of whether adequate healthcare may exist within the State through a local provider. The Committee remains concerned that the extensive travel requirements, coupled with lengthy delays scheduling this travel, create unusual hardships on Hawaii and Alaska veterans. The VA has reported that it is making progress in addressing these unique problems through the "Care Closer to Home Program". The Committee encourages the VA to continue these efforts and will continue to monitor its progress. Therefore, no later than February 1, 2013, the Department is directed to provide to the Committees on Appropriations of both Houses of Congress a report on the number of Hawaii and Alaska veterans who were directed to travel to a VA facility in another State for medical care in fiscal year and calendar year 2012; the number of veterans who actually traveled to that facility during the fiscal and calendar years; and the Department's plans and goals for reducing the number of Hawaii and Alaska veterans directed to travel to another State for medical care in fiscal years 2013 and 2014. In addition, the report should describe the criteria used in determining whether to purchase medical care for a Hawaii or Alaska veteran within their respective States or require the veteran to travel to a VA facility in another State to receive that care; a description of the medical conditions for which these veterans

were required to travel out of Hawaii and Alaska; and an explanation for why care was not purchased in State.

The Committee is also concerned about the distances that veterans have to travel within the State of Alaska to obtain VA care. In its report on the "Care Closer to Home Program", the VA is requested to provide data on the number of Alaska veterans who have traveled by air within the State of Alaska during fiscal year 2012 to obtain care at a VA facility, the communities from which they traveled and the facility at which the care was provided. The VA is requested to assess whether this care could have been provided closer to home through partnerships with Community Health Centers, tribal health facilities, or other available community providers.

*Veterans Affairs/Indian Health Service Collaboration.*—On March 5, 2012, the VA and the Indian Health Service [IHS] began soliciting input from tribal leaders on a draft reimbursement agreement between VA and IHS. The draft agreement sets forth the underlying terms and conditions for reimbursement between VA and IHS facilities, as well as between VA and tribal health facilities, should tribes elect to enter into an agreement with VA. The Committee is encouraged by these recent achievements and commends the VA for seeking input from Native American tribes and Alaska Natives. Many American Indian and Alaska Native veterans live in some of the most remote places in the country and often lack access to VA health facilities due to sheer distance between their homes and the nearest facility. Stronger partnerships among VA, IHS, and tribal health facilities is essential to ensuring Native American and Alaska Native veterans have access to the services to which they are entitled. The Committee intends to closely monitor progress in establishing these partnerships. Therefore, the Department is directed to submit to the Committees on Appropriations of both Houses of Congress no later than November 1, 2012, a report outlining the progress made in working with IHS and tribal health facilities to establish new partnerships and reimbursement agreements.

*End Stage Renal Disease.*—The Committee is very concerned with the growing number of cases of End Stage Renal Disease [ESRD]. According to VA estimates for fiscal year 2011, over 27,000 veterans have ESRD. Of these veterans, approximately 16,500 received dialysis from the VA on an outpatient basis at a VA facility or through contract care. Studies have suggested that home-based dialysis therapies, including peritoneal dialysis and home hemodialysis, can be less costly than in-center hemodialysis. The Department is directed to submit to the Committees on Appropriations of both Houses of Congress no later than 90 days after enactment of this act, a report outlining current utilization of home-based dialysis therapies and what plans the VA has to expand these services across the veterans health system.

*Veteran Transportation System.*—The Committee recognizes that Public Law 111-163 took a number of meaningful steps to enhance care for veterans. Among the provisions included in this law is a grant program that will allow State veterans service agencies and veterans service organizations to provide better transportation options for rural veterans seeking care at a Department of Veterans

Affairs facility. The Committee has concerns that further delays in the implementation of this grant program will impede the critical services provided by the program from reaching rural veterans in a timely manner. The Committee urges the Department of Veterans Affairs to move expeditiously in the enactment of this grant program, and to make additional longer-term investments that improve transportation options for rural veterans.

*Regenerative Medicine.*—Prosthetic devices currently remain the primary rehabilitative option for servicemembers and veterans with upper limb loss. However, the Committee recognizes emerging regenerative medical treatments such as upper extremity transplantation could be viable alternatives for eligible patients. Therefore, the Committee directs the Secretary of Veterans Affairs to provide to the Committees on Appropriations of both Houses of Congress no later than January 18, 2013, a report detailing the efforts the Veterans Health Administration has undertaken to facilitate the translation of new regenerative medical procedures into preventive and therapeutic strategies. The report should identify any critical knowledge gaps that constrain the rapid progress and clinical translation of novel therapies for veterans.

Further, the Committee urges the Secretary of Veterans Affairs to consider establishing a Regenerative Medicine Coordinator within the Department of Veterans Affairs to develop a referral pathway that provides more veterans the opportunity to take advantage of the advances in regenerative medicine, including upper extremity transplantations. The Regenerative Medicine Coordinator should coordinate with the Department of Defense's Armed Forces Institute of Regenerative Medicine Office and establish a set of protocols for regenerative medicine inpatient and outpatient care.

*Prescription Drugs.*—The Committee has encouraged the Department of Veterans Affairs and the Department of Defense [DOD] to increase collaboration in areas where appropriate, such as collocated health facilities and integrated information technology systems. These collaborative efforts not only improve efficiency but also can lead to significant cost savings. The Committee believes that the two Departments should pursue joint efforts in the purchasing of prescription drugs. According to the Government Accountability Office [GAO], from fiscal year 2002 through 2005, VA and DOD increased joint procurement of brand name and generic drugs. Joint national contracts increased from \$183,000,000 on 76 contracts in 2002 to \$560,000,000 on 84 contracts in fiscal year 2005. However, the GAO found that by 2009, joint national contracts had decreased to \$214,000,000 on 67 contracts. Additionally, by 2009 all joint contracts were for generic drugs. GAO noted that VA and DOD officials attributed the decline of joint contracting to the elimination of joint contracting for brand name drugs. The Committee believes that the Departments could achieve greater cost savings by jointly procuring brand name drugs. Therefore, VA is directed to provide to the Committees on Appropriations of both Houses of Congress a report no later than January 25, 2013, detailing the impediments to joint procurement of both generic and brand name drugs, and potential solutions to increase joint contracting.

## MEDICAL SUPPORT AND COMPLIANCE

Appropriations, 2012 .....	\$5,535,000,000
Advance appropriations, 2013 .....	5,746,000,000
Budget estimate, advance appropriation, 2014 .....	6,033,000,000
Committee recommendation, advance appropriation, 2014 .....	6,033,000,000

The Medical support and compliance account provides funds for management, security, and administrative expenses within the VA healthcare system, in addition to providing costs associated with the operation of VA medical centers and clinics, VISN offices, and the VHA Central Office in Washington, DC. This appropriation also covers Chief of Staff and Facility Director operations, quality of care oversight, legal services, billing and coding activities, procurement, financial management, security, and human resource management.

The President's 2013 and 2014 submission for Medical Support and Compliance is based on an actuarial analysis founded on the current and projected veteran population, enrollment projections of demand, and case mix changes associated with current veteran patients.

## COMMITTEE RECOMMENDATION

In fiscal year 2012, the Committee provided an advance appropriation of \$5,746,000,000 for fiscal year 2013 for the Medical support and compliance account. This is \$211,000,000 above the fiscal year 2012 enacted level and equal to the budget request. Additionally, the Committee recommendation includes an advance appropriation of \$6,033,000,000 for Medical support and compliance for fiscal year 2014, which is \$287,000,000 above the level for fiscal year 2013 and equal to the budget request.

*Budget Justification.*—The Medical support and compliance appropriation provides funds for the expenses of management, security, and administration of the VA's healthcare system. Included in this appropriation are the costs associated with the management, operation, and oversight of the Veterans Health Administration's headquarters and program offices, VISN and medical facilities, and other support organizations and functions. There are four major category groups funded by this appropriation: medical center support, which receives 72 percent of the appropriation; centralized field support functions, which receives 13 percent; VHA central office support, which receives 12 percent; and VISN support, which receives 3 percent. The Committee understands healthcare systems require strong management to ensure healthcare is provided in a timely and efficient manner. Additionally, the Committee appreciates that most of VHA's funding decisions are driven by an actuarial model designed to capture the best data and provide a realistic view of funding needs in the field. However, the justification accompanying the budget request lacks details on how several components within Medical support and compliance are developed. For instance, while VHA central office and VISN staff offices play key roles in oversight, policy guidance, and the delivery of healthcare, the justification contains little insight on how their respective budgets were developed. Therefore, the Committee directs the De-

partment to provide greater detail, including a detailed budget build-out for these functions in future budget submissions.

MEDICAL FACILITIES

Appropriations, 2012 .....	\$5,426,000,000
Advance appropriations, 2013 .....	5,441,000,000
Budget estimate, advance appropriation, 2014 .....	4,872,000,000
Committee recommendation, advance appropriation, 2014 .....	4,872,000,000

PROGRAM DESCRIPTION

The Medical facilities account provides funds for the operation and maintenance of the VA healthcare system’s vast capital infrastructure. This appropriation provides for costs associated with utilities, engineering, capital planning, leases, laundry, groundskeeping, housekeeping, facility repair, and property disposition and acquisition.

COMMITTEE RECOMMENDATION

In fiscal year 2012, the Committee provided an advance appropriation of \$5,441,000,000 for fiscal year 2013 for the Medical facilities account. The Committee recommendation includes an advance appropriation of \$4,872,000,000 for Medical facilities for fiscal year 2014. This is \$569,000,000 below the level for fiscal year 2013 and equal to the budget request.

*Nonrecurring Maintenance.*—In fiscal year 2014, the Department will transfer 1,080 full-time personnel currently budgeted for in the Medical facilities account to the Medical services account. The advance appropriation budget request and corresponding Committee recommendation reflects this transfer. While this transfer accounts for a reduction of \$320,000,000 in the Medical facilities account and a respective increase in the Medical services account, it does not fully explain the decline in the Medical facilities account. According to the budget justifications which accompanied the budget request, the VA estimates the Department will spend \$868,800,000 in fiscal year 2012; \$710,450,000 in fiscal year 2013; and \$464,660,000 in fiscal year 2014 on critical infrastructure repairs at existing hospitals and clinics. This is a \$404,140,000 reduction in estimated expenditures from 2012 to 2014 on reducing infrastructure deficiencies at current VHA facilities. The Committee notes that the VA has flexibility within the Medical facilities account to shift money during the fiscal year as circumstances and estimates change. For instance, the Department’s original fiscal year 2011 budget request for nonrecurring maintenance was \$1,110,129,000. However, actual expenditures for fiscal year 2011 were \$1,977,168,000. This large variance in estimations and actual obligations reflects the need for VA to more accurately budget for infrastructure needs. The Committee strongly supports the non-recurring maintenance program and urges the Department to review the advance appropriation for this account in the next budget cycle to ensure that budget estimates for needed infrastructure repairs adhere to the deficiencies outlined in the 10-year Strategic Capital Investment Plan.

*Southwest Louisiana Outpatient Clinics.*—In March of 2012, the Committee was notified that contracting errors were made in the



Solicitation for Offers to build the Community Based Outpatient Clinics [CBOCs] in Southwest Louisiana. These contracting errors will result in delays to the Lake Charles CBOC opening and Lafayette CBOC expansion. The Department is directed to provide the Committee on Appropriations regular updates on the progress being made to correct the contracting errors in order to move forward to complete the clinics in Lafayette and Lake Charles, Louisiana.

MEDICAL AND PROSTHETIC RESEARCH

Appropriations, 2012 .....	\$581,000,000
Budget estimate, 2013 .....	582,674,000
Committee recommendation .....	582,674,000

PROGRAM DESCRIPTION

The Medical and prosthetic research account provides funds for medical, rehabilitative, and health services research. Medical research supports basic and clinical studies that advance knowledge leading to improvements in the prevention, diagnosis, and treatment of diseases and disabilities. Rehabilitation research focuses on rehabilitation engineering problems in the fields of prosthetics, orthotics, adaptive equipment for vehicles, sensory aids and related areas. Health services research focuses on improving the effectiveness and economy of the delivery of health services.

COMMITTEE RECOMMENDATION

The Committee recommends \$582,674,000 for Medical and prosthetic research. This is \$1,674,000 above the fiscal year 2012 enacted level and equal to the budget request.

The Committee remains highly supportive of this program, and recognizes its importance both in improving healthcare services to veterans and recruiting and retaining high-quality medical professionals in the Veterans Health Administration.

Through the Department's research and development program, the VA has implemented a comprehensive research agenda to develop new treatments and tools for clinicians to ease the physical and psychological pain of men and women returning from war zones, to improve access to VA healthcare services, and to accelerate discoveries and applications, especially for neurotrauma, sensory loss, amputation, polytrauma, and related prosthetic needs.

*Nursing Research Program.*—The Committee supports the Veterans Affairs Nursing Research Program, which facilitates research on the specific nursing needs of combat veterans and aging veterans. The Committee strongly supports continuation of this program. The Committee also encourages collaboration between VA nurses and recipients of Tri-Service Nursing Research Program awards in the exploration of research proposals that improve the health and well-being of their shared beneficiary population.

*Chronic Obstructive Pulmonary Disease.*—The Committee is concerned by the incidence of Chronic Obstructive Pulmonary Disease [COPD] in the veteran population. COPD, the third leading cause of death in the United States, can be caused by smoking, exposure to air pollution, or genetic conditions. The Committee is aware that several Veterans Affairs Medical Centers [VAMC] are studying

COPD and its effects on the veteran population. The Committee notes the positive results of a pilot testing program conducted by the Miami VAMC that utilized electronic medical records to help detect and properly treat veterans with COPD. The Department is directed to provide a report to the Committees on Appropriations of both Houses of Congress no later than 90 days after enactment of this act, detailing the various COPD-related research projects currently underway and those projects recently completed. The report should include how research is being applied in clinical settings to combat COPD and its effects, including the utilization of electronic medical records to help detect and properly treat veterans for COPD.

*Preventing Pressure Ulcers.*—In spite of advances in nursing care, surgery, medical procedures, and education, pressure ulcers—also known as bed sores—remain to this day a major cause of healthcare cost, morbidity, and mortality. A large segment of veterans receiving care through VHA are particularly susceptible to pressure ulcers. While pressure ulcers continue to be a serious problem, there are treatments and medical devices in the early stages of development that can prevent and heal these ulcers. Therefore, the Committee encourages the Department to expand its research, development, and clinical trials of medical devices and treatments designed to prevent and heal pressure ulcers.

*Gastrointestinal Disorders.*—The Committee acknowledges the association between Gulf War service and the development of functional gastrointestinal disorders, as described in the 2010 Institute of Medicine report “Gulf War and Health, Volume 8: Health Effects of Serving in the Gulf War Update 2009.” These disorders can be painful and debilitating for our Nation’s veterans and the Committee urges the Department of Veterans Affairs to prioritize this important research area.

#### MEDICAL CARE COST RECOVERY COLLECTIONS

##### MEDICAL CARE COLLECTION FUND

Appropriations, 2012 .....	\$3,326,000,000
Budget estimate, 2013 .....	2,527,000,000
Committee recommendation .....	2,527,000,000

##### MEDICAL CARE COLLECTION FUND—REVENUES APPLIED

Appropriations, 2012 .....	–\$3,326,000,000
Budget estimate, 2013 .....	–2,527,000,000
Committee recommendation .....	–2,527,000,000

##### PROGRAM DESCRIPTION

The Medical Care Collection Fund [MCCF] was established by the Balanced Budget Act of 1997 (Public Law 105–33). In fiscal year 2004, Public Law 108–199 allowed the Department of Veterans Affairs to deposit first-party and pharmacy co-payments; third-party insurance payments and enhanced-use collections; long-term care co-payments; Compensated Work Therapy Program collections; and Parking Program fees into the MCCF. The Secretary of Veterans Affairs has the authority to transfer funds from the MCCF to the Medical services account.

COMMITTEE RECOMMENDATION

The Committee recommendation includes the authority to retain co-payments and third-party collections, estimated to total \$2,527,000,000 in fiscal year 2013.

The Committee is very concerned about overly optimistic estimates of revenues collected through the Medical Care Collection Fund [MCCF]. In fiscal year 2011, the VA estimated it would collect \$3,355,000,000 through MCCF. However, actual collection in fiscal year 2011 totaled \$2,772,546,000. Similarly, the Department has had to revise its estimates downward for fiscal years 2012 and 2013. While a number of factors could be the cause of these variances, no detailed explanation was provided with the budget submission. Therefore, the Committee directs the Department to submit a report to the Committees on Appropriations of both Houses of Congress no later than December 3, 2012, outlining the causes for these downward projections and what contingency plans are in place should actual revenues continue to drop.

NATIONAL CEMETERY ADMINISTRATION

Appropriations, 2012 .....	\$250,934,000
Budget estimate, 2013 .....	258,284,000
Committee recommendation .....	258,284,000

ADMINISTRATION OVERVIEW

The National Cemetery Administration [NCA] was established in accordance with Public Law 93–94, the National Cemeteries Act of 1973. It has a four-fold mission: to provide for the interment in any national cemetery of the remains of eligible deceased servicemembers and discharged veterans, together with their spouses and certain dependents, and permanently maintain their graves; to provide headstones for, and to mark graves of, eligible persons in national, State, and private cemeteries; to administer the grant program for aid to States in establishing, expanding, or improving State veterans cemeteries; and to administer the Presidential Memorial Certificate Program.

COMMITTEE RECOMMENDATION

The Committee recommends \$258,284,000 for the National Cemetery Administration. This is an increase of \$7,350,000 above the fiscal year 2012 enacted level and equal to the budget request.

The Committee has included bill language to make available through September 30, 2014, up to \$25,828,000 of the National Cemetery Administration appropriation.

*Rural Cemetery Initiative.*—The National Cemetery Administration’s fiscal year 2013 budget submission includes a new initiative designed to improve burial access to veterans residing in rural areas. NCA is proposing to establish a national cemetery presence in rural areas where the veteran population is less than 25,000 within a 75-mile service area. NCA plans to achieve this by purchasing small parcels of land within existing local cemeteries and establish and manage a national cemetery presence in previously underserved rural areas. The proposal will target those States in which there is no national cemetery or State Veterans Cemetery.

The Committee supports this new initiative and believes it will help provide many veterans and their families with the honor of a final resting place in a veterans cemetery. However, it should be noted that States with a single national cemetery that encompass a large land area still face challenges to burial access and would not be eligible under the guidelines of the new initiative. The Committee encourages the Department to consider expanding this initiative in the future to ensure that its strategic goal of serving 94 percent of veterans with a burial option within 75 miles of their home is met.

DEPARTMENTAL ADMINISTRATION

Appropriations, 2012 .....	\$6,862,258,000
Budget estimate, 2013 .....	7,292,255,000
Committee recommendation .....	7,302,255,000

ADMINISTRATION OVERVIEW

Departmental Administration provides for the administration of veterans benefits through the Veterans Benefits Administration [VBA], the executive direction of the Department, several top level supporting offices, the Board of Contract Appeals, and the Board of Veterans' Appeals.

COMMITTEE RECOMMENDATION

The Committee recommends \$7,302,255,000 for Departmental Administration. The amount is composed of \$424,737,000 for General administration; \$2,164,074,000 for General operating expenses, veterans benefits administration; \$3,327,444,000 for Information technology systems; \$115,000,000 for the Office of the Inspector General; \$532,470,000 for Construction, major projects; \$607,530,000 for Construction, minor projects; \$85,000,000 for Grants for construction of State extended care facilities; and \$46,000,000 for Grants for the construction of State veterans cemeteries.

GENERAL ADMINISTRATION

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2012 .....	\$416,737,000
Budget estimate, 2013 .....	416,737,000
Committee recommendation .....	424,737,000

PROGRAM DESCRIPTION

The General administration account provides funding for the Office of the Secretary, six assistant secretaries, and three independent staff offices.

COMMITTEE RECOMMENDATION

The Committee recommends \$424,737,000 for General administration. This amount is \$8,000,000 above the fiscal year 2012 enacted level as well as the budget request. The recommendation freezes all line offices at the fiscal year 2012 enacted level, except for the Board of Veterans Appeals [BVA]. The Board is responsible for making final decisions on behalf of the Department for appealed

veterans benefits claims. The projected average time to resolve these appeals is 650 days. Moreover, the VA projects the appeals backlog to grow to 65,611 claims in 2013 from the current projected level of 39,283. Wait times are the number one complaint of most veterans, whether during the initial claims process, the appeals process, or when scheduling a medical appointment. The Department has made efforts to address wait times at both the Veterans Benefits Administration and Veterans Health Administration through increased staffing and resources. However, staffing at BVA has been steadily declining. The Committee strongly believes the wait time and backlog at the appellate level are unacceptable and that the budget request is clearly insufficient to address the number of benefits claims on appeal. Therefore, the Committee has included an additional \$8,000,000 for the Board to hire additional personnel. Further, the Committee directs the Department to provide to the Committees on Appropriations of both Houses of Congress no later than November 30, 2012, a fiscal year 2013 staffing plan and detailed strategic plan to address this issue. The strategic plan should also include an explanation as to why the backlog in appeals is growing at an alarmingly rapid pace.

The Committee has included bill language to make available through September 30, 2014, up to \$20,837,000 for General administration. The funding recommendation for each line office is provided in the table below.

GENERAL ADMINISTRATION

[In thousands of dollars]

Department	Fiscal year 2012 enacted level	Fiscal year 2013 budget request	Committee recommendation
Office of the Secretary .....	10,085	10,085	10,085
Board of Veterans Appeals .....	78,006	78,006	86,006
Office of General Counsel .....	83,099	83,099	83,099
Office of Management .....	45,598	45,598	45,598
Office of Human Resources .....	70,379	70,379	70,379
Office of Policy and Planning .....	26,015	26,015	26,015
Office of Operations Security and Preparedness .....	18,510	18,510	18,510
Office of Public and Intergovernmental Affairs .....	23,286	23,037	23,037
Office of Congressional Affairs and Legislative Affairs .....	6,053	6,302	6,302
Office of Acquisition, Logistics and Construction .....	55,706	55,706	55,706
Total .....	416,737	416,737	424,737

*Franchise Fund.*—The Franchise Fund was established in 1997 as a pilot program and made permanent in fiscal year 2006 under Public Law 109–114. The Committee directs the Department to provide a report on the Franchise Fund’s business plan for fiscal year 2013. This plan should include a list of services, customers, overhead expenses, funds collected for services, and the unobligated balance from the previous fiscal year. The VA shall submit this report to the Committees on Appropriations of both Houses of Congress no later than 60 days following enactment of this act.

*Tribal Government Outreach.*—The Committee recognizes that Native Americans have served in the Armed Forces in large numbers, but often are hindered in receiving benefits by cultural and geographic barriers. To address this, the Department established a Tribal Veterans Representative program that provides outreach to

Native American Tribes and Alaska Natives. These representatives help facilitate communication and paperwork, and explain benefits to Native American and Alaska Native veterans, to ensure that they are informed and have access to benefits and services provided by the VA. The Committee supports these outreach efforts and directs the Department to provide annual reports to the Committees on Appropriations of both Houses of Congress detailing outreach initiatives provided to Native American and Alaska Native veterans.

*Oversight of Construction Activities.*—The Committee believes that VA Central Office needs to strengthen its oversight of all construction activities in the field. Therefore, no later than 60 days after enactment of this act, the Office of the Secretary is directed to provide to the Committees on Appropriations of both Houses of Congress a report outlining processes that are in place to ensure proper oversight of construction. This report should identify which components of central oversight are performed outside of the various VA administrations and whether spot audits are performed in the field.

GENERAL OPERATING EXPENSES, VETERANS BENEFITS  
ADMINISTRATION

Appropriations, 2012 .....	\$2,018,764,000
Budget estimate, 2013 .....	2,164,074,000
Committee recommendation .....	2,164,074,000

PROGRAM DESCRIPTION

The General operating expenses, veterans benefits administration account provides funding for the Veterans Benefits Administration to administer entitlement programs such as service-connected disability compensation, education benefits, and vocational rehabilitation services.

COMMITTEE RECOMMENDATION

The Committee recommends \$2,164,074,000 for General operating expenses, veterans benefits administration, which is \$145,310,000 above fiscal year 2012 enacted level and equal to the budget request. The Committee has included bill language to make available through September 30, 2014, up to \$113,000,000 for General operating expenses, veterans benefits administration.

*Claims Processing.*—The lengthy wait time and persistent backlog of claims at the Veterans Benefits Administration continue to impose an unacceptable burden on disabled veterans. The Committee understands the Department has set 2015 as the date by which it plans to achieve a significant reduction in the backlog of claims and to increase the accuracy rate at all regional offices to 98 percent.

As noted by the Committee last year, the Department made a policy decision to hire fewer permanent employees to handle claims processing, and instead utilize external vendors in specific elements of collecting materials for claims processing, thus allowing VA employees to focus on decisionmaking. This change was expected to improve efficiency and reduce operating expenses related

to claims processing. The Committee directs the Department to submit, no later than 90 days after the enactment of this act, a report detailing the metrics developed for evaluating the success of this effort in reducing the backlog of claims and the average adjudication time.

The Committee remains concerned that some parts of the country continue to experience much longer wait times than others, and the accuracy of claims decisions in one area of the country versus another varies dramatically. The Committee notes the Department's own goal is to have a 98-percent accuracy rate, yet currently, nationwide accuracy is about 84 percent. As of December 2011, the accuracy rate at regional offices around the country varied from 94 to 64 percent. Because of this, the Committee directs the Department to submit, no later than 90 days after the enactment of this act, a report detailing the wait times and accuracy rates of disability claims decisions at all 57 regional offices. This report should include information on how the quality-review teams and the quality initiatives at each regional office have affected the performance, wait times, and rates at each location. Additionally, the report should include the specific metrics the VBA uses in determining personnel performance.

*Inspector General Report on Claims Processing Errors.*—The Committee is concerned about the recent findings by the Department of Veterans Affairs Office of Inspector General that the Oakland, Los Angeles and San Diego VA Regional Offices have high error rates and claims processing times compared to other regional offices across the Nation. For example, the Inspector General found that 80 percent of claims reviewed in the Los Angeles office were unnecessarily delayed and that in one case a claim in Oakland had been pending for 8 years. The Inspector General also determined that 97 percent of temporary 100 percent disability evaluations reviewed were processed incorrectly at the Los Angeles Regional Office.

Delays and errors of this frequency and magnitude are not acceptable, and steps must be taken to improve service to our veterans at these regional offices. Therefore the Secretary is directed to provide the Committees on Appropriations of both Houses of Congress a report detailing how the Inspector General's recommendations are being implemented. The report shall also include an explanation about why the Los Angeles office is currently operating in what is referred to as "safe mode," which means that staff is not held accountable to VA standards.

*Administration of the GI Bill.*—Education Liaison Representatives are VA employees who act as conduits between school officials and the VA. The Committee is concerned about how communication and assistance is provided to States which do not currently have an Education Liaison Representative assigned to work exclusively with their schools. Compounding this issue is the lack of resources provided by the Department to ensure that Education Liaison Representatives have adequate technology to effectively communicate with schools to which they are assigned. A failure to improve communication among the VA, schools, and veterans across the country will continue to have a negative impact on the timely delivery of education benefits to our veterans and their families. The Com-

mittee strongly encourages the Department to ensure Education Liaison Representatives have adequate technology to make certain they are able to effectively communicate while outside of their offices with the schools to which they are assigned.

INFORMATION TECHNOLOGY SYSTEMS

Appropriations, 2012 .....	\$3,111,376,000
Budget estimate, 2013 .....	3,327,444,000
Committee recommendation .....	3,327,444,000

PROGRAM DESCRIPTION

The Information Technology [IT] appropriation, along with reimbursements, funds the costs of all IT staff salaries and expenses, the operations and maintenance of all existing information technology systems, and the development of new projects and programs designed to improve the delivery of service to veterans. This appropriation also funds the costs associated with the Office of Information and Technology, which oversees the functions highlighted above.

COMMITTEE RECOMMENDATION

The Committee recommends \$3,327,444,000 for the Information technology systems account. This amount is \$216,068,000 above the fiscal year 2012 enacted level and equal to the budget request. The Committee recommendation includes \$1,021,000,000 for staff salaries and expenses, \$1,812,045,000 for operation and maintenance of existing programs, and \$494,399,000 for program development, all according to the Department’s fiscal year 2013 budget submission.

The Committee has appropriated the Information technology systems account as three subaccounts, with funding levels consistent with the Department’s budget submission. This funding structure will enhance the Committee’s ability to ensure that funds are executed in a manner consistent with the Department’s budget submission. The Committee has provided sufficient flexibility within the subaccounts by way of authorized carryover amounts and reprogramming authority to give the Office of Information Technology as much flexibility as possible to accomplish its mission and goals, while ensuring proper accountability and oversight. The Committee will continue to work with the Department to ensure that the IT projects currently underway, as well as the projects planned for the future, have the resources the VA needs to make them successful.

The Committee has included bill language that restricts the obligation of development funds until the Secretary of Veterans Affairs or the Chief Information Officer submits to the Committees on Appropriations of both Houses of Congress a certification of the amounts, in parts or in full, that will be obligated and expended for each development project. Further, the Office of Information Technology is directed to provide an IT expenditure report, by project, to the Committees on Appropriations of both Houses of Congress on a monthly basis.

The chart below reflects the administration’s budget request for development projects and includes the Committee recommendation for each. This chart will serve as the Department’s approved list



of development projects, and all requested changes are subject to the reprogramming guidelines as outlined in the accompanying act.

INFORMATION TECHNOLOGY DEVELOPMENT PROJECTS

[In thousands of dollars]

Project	Fiscal year 2013 budget request	Committee recommendation
Access to Healthcare IT Development .....	40,313	40,313
Surgical Quality and Workflow Management Development .....	27,503	27,503
Healthcare Efficiency IT Development .....	4,659	4,659
Homelessness IT Development .....	3,075	3,075
Integrated Electronic Health Record [iEHR] .....	104,000	104,000
Mental Health IT Development .....	8,818	8,818
New Models of Care IT Development .....	35,724	35,724
Veterans Benefits Management System [VBMS] .....	38,525	38,525
Virtual Lifetime Electronic Record [VLER] .....	49,939	49,939
Veterans Relationship Management [VRM] .....	96,218	96,218
Health Management Platform Development .....	7,500	7,500
International Classification of Diseases—10 Development .....	11,500	11,500
VHA Research IT Support Development .....	18,521	18,521
Human Capital Development .....	9,100	9,100
Integrated Operating Model .....	14,100	14,100
VA Learning Management Systems Development .....	5,540	5,540
Other IT Development .....	19,364	19,364
Total, All Development .....	494,399	494,399

*Integrated Electronic Health Record [iEHR].*—The Committee commends the Department of Veterans Affairs for the consistent and strong leadership displayed over the past year while working with the Department of Defense [DOD] to develop an integrated electronic health record [iEHR]. The Committee is committed to the development of a unified health record system which should produce major benefits in cost-savings and patient safety. While the Committee remains supportive of this effort, it is concerned that a detailed plan, including a timeline, benchmarks, and total cost has not been transmitted to Congress.

A comprehensive governance structure including these critical components is essential to the successful development of iEHR. Further, a development model similar to the Project Management Accountability System [PMAS] focused on incremental development with deliverable milestones should be utilized in the development of this system. Therefore, no later than 30 days after the enactment of this act, the Committee directs the VA, in conjunction with DOD, to report to the Committees on Appropriations of both Houses of Congress an identified timeframe for completion of iEHR, detailed benchmarks against which to track its progress, and a detailed spend plan which will show the total project cost. The Committee also directs the VA, through the Interagency Program Office, to provide quarterly updates on the progress of this project to the Committees on Appropriations of both Houses of Congress.

The Committee continues to encourage the Departments to use proven commercial off-the-shelf technology when developing iEHR. The Committee remains convinced an open source approach is the best way to develop iEHR so that the system does not become overly reliant upon a single vendor and the Department is able to take

advantage of private sector technology. Such an approach will encourage competition as vendors bid on iEHR contracts, ensuring our servicemembers and veterans have access to the best electronic health record technology available.

*Veterans Benefits Management System.*—The Veterans Benefits Management System [VBMS] is the Department’s key information technology initiative designed to transform its paper-centric claims environment into one that processes claims electronically. National deployment of this system begins in the summer of 2012 and continues through 2013. The VA has made deployment of this system a linchpin in its strategy to reduce the backlog and average wait time for claims to be adjudicated. The Committee supports the efforts to transform the VBA disability claims process and is hopeful this strategy proves to be successful. The Committee directs the Department to provide quarterly updates on the implementation of VBMS and to provide details of how this implementation has increased the efficiency and timeliness of the VBA claims process.

*Innovation Initiative.*—Last year, the Committee encouraged the Department to use funding from the Information Technology Systems account for the Innovation Initiative program for an open competition to utilize commercial off-the-shelf technology to develop a decision support system and automate VBA’s Veterans Schedule for Rating Disabilities. The Committee directs the VA to report to the Committees on Appropriations of both Houses of Congress within 120 days of enactment of this act how the VA is utilizing commercial off-the-shelf technology to develop a decision support system and automate the VBA’s Veterans Schedule for Rating Disabilities.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2012 .....	\$112,391,000
Budget estimate, 2013 .....	113,000,000
Committee recommendation .....	115,000,000

PROGRAM DESCRIPTION

The Office of Inspector General [OIG] was established by the Inspector General Act of 1978 and is responsible for the audit, investigation, and inspection of all Department of Veterans Affairs programs and operations.

COMMITTEE RECOMMENDATION

The Committee recommends \$115,000,000 for the Office of Inspector General. This is \$2,609,000 above the fiscal year 2012 enacted level and \$2,000,000 above the budget request. The OIG recently issued a report outlining problems veterans face in receiving timely access to mental health services. In light of the OIG’s findings, the Committee has provided an increase for the Inspector General to increase audits of the Veterans Health Administration and field activities. The Committee has included bill language to make available through September 30, 2014, up to \$6,000,000 for the Office of the Inspector General.

## CONSTRUCTION, MAJOR PROJECTS

Appropriations, 2012 .....	\$589,604,000
Budget estimate, 2013 .....	532,470,000
Committee recommendation .....	532,470,000

## PROGRAM DESCRIPTION

The Construction, major projects account provides for constructing, altering, extending, and improving any of the facilities (including parking projects) under the jurisdiction or for the use of the VA, including planning, architectural and engineering services, needs assessment, and site acquisition where the estimated cost of a project is more than the amount set forth in 38 U.S.C. 8104(a)(3)(A). Proceeds realized from Enhanced Use Lease activities may be deposited into the Construction, major projects and Construction, minor projects accounts.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$532,470,000 for the construction of major projects. This is \$57,134,000 below the fiscal year 2012 enacted level and equal to the budget request.

The following table reflects the President's budget request for major construction projects and activities, and the corresponding Committee recommendations.

## CONSTRUCTION, MAJOR PROJECTS

[In thousands of dollars]

Location and description	Fiscal year 2013 budget request	Committee recommendation
Veterans Health Administration [VHA]:		
St. Louis, Missouri—Jefferson Barracks, Medical Facility Improvements and Cemetery Expansion .....	130,300	130,300
Palo Alto, California—Centers for Ambulatory Care, Polytrauma, Blind Rehabilitation, and Research .....	177,823	177,823
Seattle, Washington—New Mental Health Building .....	55,000	55,000
Dallas, Texas—Spinal Cord Injury Center .....	33,500	33,500
Advance Planning Fund .....	70,000	70,000
Asbestos .....	8,000	8,000
Construction and Facilities Management Resident Engineers and Staff .....	24,000	24,000
Claims Analyses .....	2,000	2,000
Facility Security Projects .....	7,200	7,200
Hazardous Waste Abatement .....	5,000	5,000
Judgment Fund .....	5,000	5,000
<b>Total, VHA .....</b>	<b>517,823</b>	<b>517,823</b>
National Cemetery Administration [NCA]:		
Advance Planning Fund .....	2,647	2,647
NCA Land Acquisition Fund .....	7,000	7,000
<b>Total, NCA .....</b>	<b>9,647</b>	<b>9,647</b>
General Administration—Staff Offices, Advance Planning Fund .....	5,000	5,000
<b>Total Construction, Major Projects .....</b>	<b>532,470</b>	<b>532,470</b>

## CONSTRUCTION, MINOR PROJECTS

Appropriations, 2012 .....	\$482,386,000
Budget estimate, 2013 .....	607,530,000
Committee recommendation .....	607,530,000

## PROGRAM DESCRIPTION

The Construction, minor projects account provides for constructing, altering, extending, and improving any of the facilities (including parking) under the jurisdiction or for the use of the VA, including planning, assessment of needs, architectural and engineering services, and site acquisition, where the estimated cost of a project is equal to or less than \$10,000,000. Public Law 106–117, the Veterans Millennium Health Care and Benefits Act of 1999, gave the VA the authority to make capital contributions from minor construction in enhanced-use leases. Proceeds realized from enhanced-use lease activities may be deposited into the Construction, major projects and Construction, minor projects accounts.

## COMMITTEE RECOMMENDATION

The Committee recommends \$607,530,000 for minor construction. This is \$125,144,000 above the fiscal year 2012 enacted level and equal to the budget request.

The recommendation includes \$506,332,000 for the Veterans Health Administration, \$58,100,000 for the National Cemetery Administration, \$13,405,000 for General Administration—Staff Offices, and \$29,693,000 for the Veterans Benefits Administration. The Committee directs the Department to provide an expenditure plan within 30 days of enactment of this act for the amount appropriated for minor construction.

## GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

Appropriations, 2012 .....	\$85,000,000
Budget estimate, 2013 .....	85,000,000
Committee recommendation .....	85,000,000

## PROGRAM DESCRIPTION

This account is used to provide grants to assist States in acquiring or constructing State home facilities for furnishing domiciliary or nursing home care to veterans, and to expand, remodel, or alter existing buildings for furnishing domiciliary, nursing home, or hospital care to veterans in State homes. The grant may not exceed 65 percent of the total cost of the project. Public Law 102–585 granted permanent authority for this program, and Public Law 106–117 provided greater specificity in directing VA to prescribe regulations for the number of beds for which grant assistance may be furnished. This program has been a successful partnership between the States and the VA in meeting the long-term care needs of elderly veterans for decades.

## COMMITTEE RECOMMENDATION

The Committee recommends \$85,000,000 for grants for the construction of State extended care facilities. This is equal to the fiscal year 2012 enacted level and equal to the budget request.

## GRANTS FOR CONSTRUCTION OF VETERANS CEMETERIES

Appropriations, 2012 .....	\$46,000,000
Budget estimate, 2013 .....	46,000,000
Committee recommendation .....	46,000,000

## PROGRAM DESCRIPTION

Public Law 105–368 amended title 38 U.S.C. 2408 and established authority to provide aid to States for establishment, expansion, and improvement of State veterans cemeteries, which are operated and permanently maintained by the States. This statutory change increased the maximum Federal share from 50 percent to 100 percent in order to fund construction costs and the initial equipment expenses when the cemetery is established. The States remain responsible for providing the land and for paying all costs related to the operation and maintenance of the State cemeteries, including the costs for subsequent equipment purchases.

## COMMITTEE RECOMMENDATION

The Committee recommends \$46,000,000 for grants for the construction of State veterans cemeteries. This is equal to the fiscal year 2012 enacted level and equal to the budget request.

## ADMINISTRATIVE PROVISIONS

## (INCLUDING TRANSFER OF FUNDS)

SEC. 201. The Committee includes a provision which outlines reprogramming authority and responsibilities for the Veterans Benefits Administration.

SEC. 202. The Committee includes a provision which outlines reprogramming authority and responsibilities for the Veterans Health Administration.

SEC. 203. The Committee includes a provision which outlines the use of the Salaries and expenses account.

SEC. 204. The Committee includes a provision mandating that only construction funds may be used for land procurement.

SEC. 205. The Committee includes a provision allowing for reimbursements to the Medical services account.

SEC. 206. The Committee includes a provision allowing for payments of prior year obligations.

SEC. 207. The Committee includes a provision which allows for the use of fiscal year 2013 funds for prior year obligations.

SEC. 208. The Committee includes a provision which allows for payments from the National Service Life Insurance Fund.

SEC. 209. The Committee includes a provision which outlines the use of funds from enhanced-use lease proceeds.

SEC. 210. The Committee includes a provision which provides for funds for the Office of Resolution Management and the Office of Employment Discrimination Complaint Adjudication.

SEC. 211. The Committee includes a provision which sets a limit on new leases without congressional approval.

SEC. 212. The Committee includes a provision which requires disclosure of third-party reimbursement information.

SEC. 213. The Committee includes a provision which allows for the transfer of revenue derived from enhanced-use leases into the construction accounts.

SEC. 214. The Committee includes a provision which outlines authorized uses for medical services funds.

SEC. 215. The Committee includes a provision which allows funds in the Medical Care Collection Fund to be transferred into the Medical services account.

SEC. 216. The Committee includes a provision which allows eligible veterans in the State of Alaska to obtain medical care services.

SEC. 217. The Committee includes a provision which allows for the transfer of funds into the construction accounts.

SEC. 218. The Committee includes a provision which allows for outreach and marketing to enroll new veterans.

SEC. 219. The Committee includes a provision requiring the Secretary of Veterans Affairs to submit quarterly financial reports on the Veterans Health Administration.

SEC. 220. The Committee includes a provision outlining transfer authority for the Information technology systems account.

SEC. 221. The Committee includes a provision outlining limits on transfers within the Information technology systems account.

SEC. 222. The Committee includes a provision prohibiting any funds to be used to contract out any functions performed by more than 10 employees without a fair competition process.

SEC. 223. The Committee includes a provision limiting the amount of nonrecurring maintenance funds that can be obligated during the last 2 months of the fiscal year.

SEC. 224. The Committee includes a provision allowing for the transfer of funds from certain accounts to the Joint Department of Defense/Department of Veterans Affairs Medical Facility Demonstration Fund, as authorized by Public Law 111-84.

SEC. 225. The Committee includes a provision allowing for the transfer of certain funds deposited in the Medical Care Collections Fund to the Joint Department of Defense/Department of Veterans Affairs Medical Facility Demonstration Fund, as authorized by Public Law 111-84.

SEC. 226. The Committee includes a provision directing a minimum of \$15,000,000 be transferred from Medical services, Medical support and compliance, and Medical facilities to the Department of Defense/Department of Veterans Affairs Health Care Sharing Incentive Fund, as authorized by section 8111 of title 38, United States Code.

SEC. 227. The Committee includes a provision rescinding funds from certain accounts and appropriating additional amounts with 2-year authority.

SEC. 228. The Committee includes a provision requiring notification of all bid savings for major construction projects.

SEC. 229. The Committee includes a provision restricting scope increases for major construction projects above that specified in the original project justification.

SEC. 230. The Committee includes a provision prohibiting the use of funds in the act for any contract using procedures that do not give to small business concerns owned and controlled by veterans any preference with respect to such contract, except for a pref-

erence given to small business concerns owned and controlled by service-disabled veterans.

SEC. 231. The Committee includes a provision extending the authorization for the VA office in the Philippines through December 31, 2013.

SEC. 232. The Committee includes a provision regarding reimbursement rates to State Veterans Homes.

TITLE III  
RELATED AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

PROGRAM DESCRIPTION

The American Battle Monuments Commission [ABMC] is responsible for the following: the maintenance and construction of U.S. monuments and memorials commemorating the achievements in battle of our Armed Forces since April 1917 (the date of the United States 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 31 monuments, memorials, and markers in 15 countries around the world, including three memorials on U.S. soil.

SALARIES AND EXPENSES

Appropriations, 2012 .....	\$61,100,000
Budget estimate, 2013 .....	58,400,000
Committee recommendation .....	58,400,000

COMMITTEE RECOMMENDATION

The Committee recommends \$58,400,000 for the Salaries and expenses account. This amount is \$2,700,000 below the fiscal year 2012 enacted level and equal to the budget request.

FOREIGN CURRENCY FLUCTUATIONS

Appropriations, 2012 .....	\$16,000,000
Budget estimate, 2013 .....	15,200,000
Committee recommendation .....	15,200,000

COMMITTEE RECOMMENDATION

The Committee recommends an estimated \$15,200,000 for the Foreign currency fluctuation account. This amount is \$800,000 below the fiscal year 2012 enacted level and equal to the budget request.

The Committee has again included language in the accompanying act, as proposed by the administration, that would allow funding for this account on a “such sums as necessary” basis. Funding the account in this manner allows the Commission to maintain cemeteries regardless of the volatility of foreign currency fluctuations.



## U.S. COURT OF APPEALS FOR VETERANS CLAIMS

## OVERVIEW

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 Secretary of Veterans Affairs. It is authorized to compel action by the Secretary. It is authorized to hold unconstitutional or otherwise unlawful and set aside decisions, findings, conclusions, rules, and regulations issued or adopted by the Secretary of Veterans Affairs, the Board of Veterans' Appeals, or the Chairman of the Board that are found to be arbitrary or capricious. The Court's principal office location is Washington, DC; however, it is a national court, empowered to sit anywhere in the United States.

## SALARIES AND EXPENSES

Appropriations, 2012 .....	\$30,770,000
Budget estimate, 2013 .....	32,481,000
Committee recommendation .....	32,481,000

## COMMITTEE RECOMMENDATION

The Committee recommends \$32,481,000 for the U.S. Court of Appeals for Veterans Claims.

## DEPARTMENT OF DEFENSE—CIVIL

## CEMETERIAL EXPENSES, ARMY

## OVERVIEW

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 3,000 nonfuneral ceremonies each year and has approximately 4 million visitors annually.

## SALARIES AND EXPENSES

Appropriations, 2012 .....	\$45,800,000
Budget estimate, 2013 .....	45,800,000
Committee recommendation <sup>1</sup> .....	41,000,000

<sup>1</sup>The fiscal year 2013 budget request for Cemeterial Expenses, Army included \$4,800,000 for construction. The Committee has provided all construction funding within the construction account.

## COMMITTEE RECOMMENDATION

The Committee recommends \$41,000,000 for Salaries and expenses. This amount is \$4,800,000 below the fiscal year 2012 enacted level and budget request. To increase oversight of the expenditure of funds, the Committee has created a separate Construction account and funded all construction activities requested

within the new account, including the \$4,800,000 requested through the Salaries and expenses account.

The Committee directs the Executive Director of Arlington National Cemetery to continue the office's audits of past contracts and outstanding financial obligations, and update the Committee on its findings along with quarterly reports on unexpended prior year funding, status updates on the upgrading of the information technology systems, and reports on ANC's expansion plans. The Committee encourages cemetery officials and the Department of the Army to work with the Department of Veterans Affairs in the development of a common architecture software for the information technology system for Arlington National Cemetery.

CONSTRUCTION

Appropriations, 2012 .....	
Budget estimate, 2013 <sup>1</sup> .....	
Committee recommendation .....	\$107,800,000

<sup>1</sup>The fiscal year 2013 budget submission for Military Construction, Army included a request of \$103,000,000 for construction at Arlington National Cemetery.

COMMITTEE RECOMMENDATION

The Committee recommends \$107,800,000 for construction. The recommendation includes \$103,000,000 for planning, design, and construction associated with the Millennium Project and future expansion of burial capacity at Arlington National Cemetery [ANC]. The Committee recognizes that burial and interment space at ANC will run out in approximately 2025 and that capacity expansion must be planned and executed well in advance to allow for the proper preparation of land for the expansion. ANC plans to develop additional burial space through construction of the Millennium Project and development of the Navy Annex. The administration's submission included this request in title I, within the Military Construction, Army account. ANC is funded in the Related Agencies title of this act. Therefore, the Committee denied funding for these projects in title I and instead appropriated the funds directly to the title III account that funds Arlington National Cemetery.

ARMED FORCES RETIREMENT HOME

TRUST FUND

Appropriations, 2012 .....	\$65,700,000
Budget estimate, 2013 .....	65,590,000
Committee recommendation .....	65,590,000

COMMITTEE RECOMMENDATION

The Committee recommends authority to expend \$65,590,000 from the Armed Forces Retirement Home [AFRH] Trust Fund to operate and maintain the Armed Forces Retirement Home—Washington, DC, and the Armed Forces Retirement Home—Gulfport, Mississippi.

TITLE IV  
GENERAL PROVISIONS

SEC. 401. The Committee includes a provision that prohibits the obligation of funds beyond the current fiscal year unless expressly so provided.

SEC. 402. The Committee includes a provision that prohibits the use of funds for programs, projects, or activities not in compliance with Federal law relating to risk assessment, the protection of private property rights, or unfunded mandates.

SEC. 403. The Committee includes a provision that requires pay raises to be absorbed within the levels appropriated.

SEC. 404. The Committee includes a provision that prohibits the use of funds to support or defeat legislation pending before Congress.

SEC. 405. The Committee includes a provision that encourages the expansion of E-commerce technologies and procedures.

SEC. 406. The Committee includes a provision that specifies the congressional committees that are to receive all reports and notifications.

SEC. 407. The Committee includes a provision that limits funds from being transferred from this appropriations measure to any instrumentality of the United States Government without authority from an appropriations act.

SEC. 408. The Committee includes a provision regarding the posting of congressional reports on agency Web sites.

SEC. 409. The Committee includes a provision prohibiting the use of funds to establish or maintain a computer network unless such network blocks the viewing, downloading, and exchanging of pornography, except for law enforcement investigation, prosecution, or adjudication activities.

SEC. 410. The Committee includes a provision limiting the construction of facilities for the purposes of housing individuals detained at Guantánamo Bay, Cuba.

SEC. 411. The Committee includes a provision prohibiting the use of funds to pay for attendance of more than 50 employees at any single conference outside the United States.

SEC. 412. The Committee includes a provision requiring agencies to report conference spending to the Inspectors General and prohibiting the use of funds made available in this act for travel and conference expenses not in compliance with Office of Management and Budget memorandum M-12-12 dated May 11, 2012.

## PROGRAM, PROJECT, AND ACTIVITY

In fiscal year 2013, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177) or the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100–119), the following information provides the definition of the term “program, project, and activity” for departments, agencies and programs under the jurisdiction of the Military Construction and Veterans Affairs, and Related Agencies subcommittee. The term “program, project, and activity” shall include the most specific level of budget items identified in the Military Construction and Veterans Affairs, and Related Agencies Appropriations Act, 2013, the House and Senate Committee reports, and the conference report and accompanying joint explanatory statement of managers of the committee of conference.

If a sequestration order is necessary, in implementing the Presidential order, departments, and agencies shall apply any percentage reduction required for fiscal year 2013 pursuant to the provisions of Public Law 99–177 or Public Law 100–119 to all items specified in the justifications submitted to the Committees on Appropriations of the Senate and House of Representatives in support of the fiscal year 2013 budget estimates, as amended, for such departments and agencies, as modified by congressional action, and in addition, for the Department of Defense, Military Construction the definition shall include specific construction locations as identified in the explanatory notes.

### COMPLIANCE WITH PARAGRAPH 7, RULE XVI, OF THE STANDING RULES OF THE SENATE

Paragraph 7 of rule XVI requires that Committee reports accompanying general appropriations bills identify each recommended amendment which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.

The Committee is filing an original bill, which is not covered under this rule, but reports this information in the spirit of full disclosure.

The Committee recommends funding for the following programs which currently lack authorization:

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

- Military Construction, Army
- Military Construction, Navy and Marine Corps
- Military Construction, Air Force
- Military Construction, Defense-Wide
- Military Construction, Army National Guard
- Military Construction, Air National Guard

Military Construction, Army Reserve  
 Military Construction, Navy Reserve  
 Military Construction, Air Force Reserve  
 North Atlantic Treaty Organization Security Investment Program  
 Family Housing Construction, Army  
 Family Housing Operation and Maintenance, Army  
 Family Housing Construction, Navy and Marine Corps  
 Family Housing Operation and Maintenance, Navy and Marine Corps  
 Family Housing Construction, Air Force  
 Family Housing Operation and Maintenance, Air Force  
 Family Housing Operation and Maintenance, Defense-Wide  
 Department of Defense, Family Housing Improvement Fund  
 Chemical Demilitarization Construction, Defense-Wide  
 Base Realignment and Closure Account, 1990  
 Base Realignment and Closure Account, 2005

*Title II: Department of Veterans Affairs*

Veterans Benefits Administration  
 Veterans Health Administration  
 National Cemetery Administration  
 Departmental Administration

*Title III: Related Agencies*

American Battle Monuments Commission  
 U.S. Court of Appeals for Veterans Claims  
 Cemeterial Expenses, Army  
 Armed Forces Retirement Home

COMPLIANCE WITH PARAGRAPH 7(c), RULE XXVI OF THE  
STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, on May 22, 2012, the Committee ordered favorably reported the bill (S. 3215), making appropriations for military construction, the Department of Veterans Affairs, and related agencies for the fiscal year ending September 30, 2013, and for other purposes, subject to amendment, by a recorded vote of 30–0, a quorum being present. The vote was as follows:

Yeas	Nays
Chairman Inouye	
Mr. Leahy	
Mr. Harkin	
Ms. Mikulski	
Mr. Kohl	
Mrs. Murray	
Mrs. Feinstein	
Mr. Durbin	
Mr. Johnson	
Ms. Landrieu	
Mr. Reed	
Mr. Lautenberg	
Mr. Nelson	

Mr. Pryor  
 Mr. Tester  
 Mr. Brown  
 Mr. Cochran  
 Mr. McConnell  
 Mr. Shelby  
 Mrs. Hutchison  
 Mr. Alexander  
 Ms. Collins  
 Ms. Murkowski  
 Mr. Graham  
 Mr. Kirk  
 Mr. Coats  
 Mr. Blunt  
 Mr. Moran  
 Mr. Hoeven  
 Mr. Johnson

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE  
 STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee.”

In compliance with this rule, changes in existing law proposed to be made by the bill are shown as follows: existing law to be omitted is enclosed in black brackets; new matter is printed in italic; and existing law in which no change is proposed is shown in roman.

TITLE 38—VETERANS’ BENEFITS

CHAPTER 3—DEPARTMENT OF VETERANS AFFAIRS

§ 315. Regional offices

(a) \* \* \*

(b) The Secretary may maintain a regional office in the Republic of the Philippines until **[December 31, 2012]** *December 31, 2013*.

**PART II—GENERAL BENEFITS**

**CHAPTER 17—HOSPITAL, NURSING HOME, DOMICILIARY,  
AND MEDICAL CARE**

**SUBCHAPTER II—HOSPITAL, NURSING HOME, OR  
DOMICILIARY CARE AND MEDICAL TREATMENT**

**§ 1720. Transfers for nursing home care; adult day health care**

(a)(1) \* \* \*

\* \* \* \* \*

(c)(1)(A) In furnishing nursing home care, adult day health care, or other extended care services under this section, the Secretary may enter into agreements for furnishing such care or services with—

- (i) in the case of the medicare program, a provider of services that has entered into a provider agreement under section 1866(a) of the Social Security Act (42 U.S.C. 1395cc(a))**]; and**;
- (ii) in the case of the medicaid program, a provider participating under a State plan under title XIX of such Act (42 U.S.C. 1396 et seq.)**].**; and
- (iii) a provider of services eligible to enter into a contract pursuant to section 1745(a) of this title who is not otherwise described in clause (i) or (ii).

\* \* \* \* \*

**SUBCHAPTER V—PAYMENTS TO STATE HOMES**

**§ 1745. Nursing home care and medications for veterans with service-connected disabilities**

(a)(1) **【The Secretary shall pay each State home for nursing home care at the rate determined under paragraph (2)】** *The Secretary shall enter into a contract (or agreement under section 1720(c)(1) of this title) with each State home for payment by the Secretary for nursing home care provided in the home, in any case in which such care is provided to any veteran as follows:*

\* \* \* \* \*

**【(2) The rate determined under this paragraph with respect to a State home is the lesser of—**

- 【(A) the applicable or prevailing rate payable in the geographic area in which the State home is located, as determined by the Secretary, for nursing home care furnished in a non-Department nursing home (as that term is defined in section 1720(e)(2) of this title); or**
- 【(B) a rate not to exceed the daily cost of care, as determined by the Secretary, following a report to the Secretary by the director of the State home.】**

*(2) Payment under each contract (or agreement) between the Secretary and a State home under paragraph (1) shall be based on a methodology, developed by the Secretary in consultation with the*

*State home, to adequately reimburse the State home for the care provided by the State home under the contract (or agreement).*



## BUDGETARY IMPACT OF BILL

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC.  
308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation <sup>1</sup>	Amount in bill	Committee allocation <sup>1</sup>	Amount in bill
Comparison of amounts in the bill with Committee allocations to its subcommittees of amounts in the Budget Resolution for 2013: Subcommittee on Military Construction and Veterans Affairs, and Related Agencies:				
Mandatory .....	72,319	72,319	72,017	<sup>1</sup> 71,992
Discretionary .....	72,241	71,975	52,731	<sup>1</sup> 79,348
Security .....	10,920	10,654	NA	NA
Nonsecurity .....	61,321	61,321	NA	NA
Projection of outlays associated with the recommendation:				
2013 .....				<sup>2</sup> 79,558
2014 .....				5,872
2015 .....				4,431
2016 .....				1,685
2017 and future years .....				1,317
Financial assistance to State and local governments for 2013 .....	NA	147	NA	7

<sup>1</sup> Includes outlays from prior-year budget authority.

<sup>2</sup> Excludes outlays from prior-year budget authority.

NA: Not applicable.

## MILITARY CONSTRUCTION PROJECT LISTING BY LOCATION

[In thousands of dollars]

Installation and project	Budget estimate	Committee recommendation	Committee recommendation compared with (+ or -) budget estimate
ALABAMA			
ARMY NATIONAL GUARD: FORT MC CLELLAN: LIVE FIRE SHOOT HOUSE .....	5,400	5,400	.....
TOTAL, ALABAMA .....	5,400	5,400	.....
ALASKA			
ARMY: FORT WAINWRIGHT: MODIFIED RECORD FIRE RANGE .....	10,400	10,400	.....
JOINT BASE ELMENDORF-RICHARDSON: MODIFIED RECORD FIRE RANGE .....	7,900	7,900	.....
TOTAL, ALASKA .....	18,300	18,300	.....
ARIZONA			
NAVY: YUMA: COMBAT AIRCRAFT LOADING APRON .....	15,985	15,985	.....
SECURITY OPERATIONS COMPLEX .....	13,300	13,300	.....
DEFENSE-WIDE: MARANA: SOF PARACHUTE TRAINING FACILITY .....	6,477	6,477	.....
YUMA: TRUCK UNLOAD FACILITY .....	1,300	1,300	.....
NAVY RESERVE: YUMA: RESERVE TRAINING FACILITY—YUMA, ARIZONA .....	5,379	5,379	.....
TOTAL, ARIZONA .....	42,441	42,441	.....
ARKANSAS			
AIR FORCE: LITTLE ROCK AFB: C-130J FLIGHT SIMULATOR ADDITION .....	4,178	4,178	.....
C-130J FUEL SYSTEMS MAINTENANCE HANGAR .....	26,000	26,000	.....
ARMY NATIONAL GUARD: SEARCY: FIELD MAINTENANCE SHOP .....	6,800	6,800	.....
TOTAL, ARKANSAS .....	36,978	36,978	.....
CALIFORNIA			
ARMY: CONCORD: ENGINEERING/HOUSING MAINTENANCE SHOP .....	3,100	3,100	.....
LIGHTNING PROTECTION SYSTEM .....	5,800	5,800	.....
NAVY: CAMP PENDLETON: COMMUNICATION INFORMATION SYSTEMS OPERATIONS COM- PLEX .....	78,897	78,897	.....
MV-22 AVIATION SIMULATOR BUILDING .....	4,139	4,139	.....
SAN JACINTO ROAD EXTENSION .....	5,074	5,074	.....
CORONADO: BACHELOR QUARTERS .....	76,063	76,063	.....
H-60S SIMULATOR TRAINING FACILITY .....	2,478	2,478	.....
LEMOORE: BAMS MAINTENANCE TRAINING FACILITY .....	14,843	14,843	.....



## MILITARY CONSTRUCTION PROJECT LISTING BY LOCATION—Continued

[In thousands of dollars]

Installation and project	Budget estimate	Committee recommendation	Committee recommendation compared with (+ or -) budget estimate
DELAWARE			
DEFENSE-WIDE:			
DOVER AFB:			
REPLACE TRUCK OFF-LOAD FACILITY .....	2,000	2,000	.....
ARMY NATIONAL GUARD:			
BETHANY BEACH:			
REGIONAL TRAINING INSTITUTE PHI .....	5,500	5,500	.....
TOTAL, DELAWARE .....	7,500	7,500	.....
DISTRICT OF COLUMBIA			
ARMY:			
FORT MCNAIR:			
VEHICLE STORAGE BUILDING, INSTALLATION .....	7,200	7,200	.....
TOTAL, DISTRICT OF COLUMBIA .....	7,200	7,200	.....
FLORIDA			
NAVY:			
JACKSONVILLE:			
BAMS MISSION CONTROL COMPLEX .....	21,980	21,980	.....
AIR FORCE:			
TYNDALL AFB:			
F-22 ADAL HANGAR FOR LOW OBSERVABLE/COMPOSITE .....	14,750	14,750	.....
DEFENSE-WIDE:			
EGLIN AFB:			
SOF AVFID OPS AND MAINTENANCE FACILITIES .....	41,695	41,695	.....
HURLBURT FIELD:			
CONSTRUCT FUEL STORAGE FACILITY .....	16,000	16,000	.....
MACDILL AFB:			
SOF JOINT SPECIAL OPS UNIVERSITY FACILITY [JSOU] .....	34,409	34,409	.....
ARMY NATIONAL GUARD:			
CAMP BLANDING:			
COMBINED ARMS COLLECTIVE TRAINING FACILITY .....	9,000	9,000	.....
MIRAMAR:			
READINESS CENTER .....	20,000	20,000	.....
TOTAL, FLORIDA .....	157,834	157,834	.....
GEORGIA			
ARMY:			
FORT BENNING:			
GROUND SOURCE HEAT TRANSFER SYSTEM .....	16,000	16,000	.....
FORT GORDON:			
GROUND SOURCE HEAT TRANSFER SYSTEM .....	12,200	12,200	.....
MODIFIED RECORD FIRE RANGE .....	4,000	4,000	.....
MULTIPURPOSE MACHINE GUN RANGE .....	7,100	7,100	.....
FORT STEWART:			
AUTOMATED COMBAT PISTOL QUAL CRSE .....	3,650	3,650	.....
DIGITAL MULTIPURPOSE TRAINING RANGE .....	22,000	22,000	.....
UNMANNED AERIAL VEHICLE COMPLEX .....	24,000	24,000	.....
AIR FORCE:			
FORT STEWART:			
AIR SUPPORT OPERATIONS CENTER [SOC] .....	7,250	7,250	.....
MOODY AFB:			
HC-130J SIMULATOR FACILITY .....	8,500	8,500	.....
TOTAL, GEORGIA .....	104,700	104,700	.....

## MILITARY CONSTRUCTION PROJECT LISTING BY LOCATION—Continued

[In thousands of dollars]

Installation and project	Budget estimate	Committee recommendation	Committee recommendation compared with (+ or -) budget estimate
HAWAII			
ARMY:			
POHAKULOA TRAINING AREA:			
AUTOMATED INFANTRY PLATOON BATTLE COURSE .....	29,000	29,000	.....
SCHOFIELD BARRACKS:			
BARRACKS .....	41,000	41,000	.....
BARRACKS .....	55,000	55,000	.....
WHEELER ARMY AIR FIELD:			
COMBAT AVIATION BRIGADE BARRACKS .....	85,000	85,000	.....
NAVY:			
KANEOHE BAY:			
AIRCRAFT STAGING AREA .....	14,680	14,680	.....
MV-22 HANGAR AND INFRASTRUCTURE .....	82,630	82,630	.....
DEFENSE-WIDE:			
JOINT BASE PEARL HARBOR-HICKAM:			
SOF SDVT-1 WATERFRONT OPERATIONS FACILITY .....	24,289	24,289	.....
ARMY NATIONAL GUARD:			
KAPOLEI:			
ARMY AVIATION SUPPORT FACILITY PH1 .....	28,000	28,000	.....
AIR NATIONAL GUARD:			
JOINT BASE PEARL HARBOR-HICKAM:			
TFI-F-22 COMBAT APRON ADDITION .....	6,500	6,500	.....
TOTAL, HAWAII .....	366,099	366,099	.....
IDAHO			
ARMY NATIONAL GUARD:			
ORCHARD TRAINING AREA:			
ORTC (BARRACKS) PH2 .....	40,000	40,000	.....
TOTAL, IDAHO .....	40,000	40,000	.....
ILLINOIS			
DEFENSE-WIDE:			
GREAT LAKES:			
DRUG LABORATORY REPLACEMENT .....	28,700	28,700	.....
SCOTT AFB:			
DISA FACILITY UPGRADES .....	84,111	84,111	.....
MEDICAL LOGISTICS WAREHOUSE .....	2,600	2,600	.....
ARMY RESERVE:			
FORT SHERIDAN:			
ARMY RESERVE CENTER .....	28,000	28,000	.....
TOTAL, ILLINOIS .....	143,411	143,411	.....
INDIANA			
DEFENSE-WIDE:			
GRISSOM ARB:			
REPLACE HYDRANT FUEL SYSTEM .....	26,800	26,800	.....
ARMY NATIONAL GUARD:			
SOUTH BEND:			
ARMED FORCES RESERVE CENTER ADD/ALT .....	21,000	21,000	.....
TERRE HAUTE:			
FIELD MAINTENANCE SHOP .....	9,000	9,000	.....
TOTAL, INDIANA .....	56,800	56,800	.....

## MILITARY CONSTRUCTION PROJECT LISTING BY LOCATION—Continued

[In thousands of dollars]

Installation and project	Budget estimate	Committee recommendation	Committee recommendation compared with (+ or -) budget estimate
IOWA			
ARMY NATIONAL GUARD:			
CAMP DODGE:			
URBAN ASSAULT COURSE .....	3,000	3,000	.....
NAVY RESERVE:			
FORT DES MOINES:			
JOINT RESERVE CENTER—DES MOINES IA .....	19,162	19,162	.....
TOTAL, IOWA .....	22,162	22,162	.....
KANSAS			
ARMY:			
FORT RILEY:			
UNMANNED AERIAL VEHICLE COMPLEX .....	12,200	12,200	.....
ARMY NATIONAL GUARD:			
TOPEKA:			
TAXIWAY, RAMP, AND HANGAR ALTERATIONS .....	9,500	9,500	.....
TOTAL, KANSAS .....	21,700	21,700	.....
KENTUCKY			
ARMY:			
FORT CAMPBELL:			
BATTALION HEADQUARTERS COMPLEX .....	55,000	55,000	.....
LIVE FIRE EXERCISE SHOOTHOUSE .....	3,800	3,800	.....
UNMANNED AERIAL VEHICLE COMPLEX .....	23,000	23,000	.....
FORT KNOX:			
AUTOMATED INFANTRY SQUAD BATTLE COURSE .....	6,000	6,000	.....
DEFENSE-WIDE:			
BLUE GRASS ARMY DEPOT:			
AMMUNITION DEMILITARIZATION PH XIII .....	115,000	115,000	.....
FORT CAMPBELL:			
REPLACE BARKLEY ELEMENTARY SCHOOL .....	41,767	41,767	.....
SOF GROUND SUPPORT BATTALION .....	26,313	26,313	.....
SOF LANDGRAF HANGAR EXTENSION .....	3,559	3,559	.....
ARMY NATIONAL GUARD:			
FRANKFORT:			
ARMY AVIATION SUPPORT FACILITY .....	32,000	32,000	.....
TOTAL, KENTUCKY .....	306,439	306,439	.....
LOUISIANA			
DEFENSE-WIDE:			
BARKSDALE AFB:			
UPGRADE PUMPHOUSE .....	11,700	11,700	.....
NAVY RESERVE:			
NEW ORLEANS:			
TRANSIENT QUARTERS .....	7,187	7,187	.....
TOTAL, LOUISIANA .....	18,887	18,887	.....
MARYLAND			
DEFENSE-WIDE:			
ANNAPOLIS:			
HEALTH CLINIC REPLACEMENT .....	66,500	66,500	.....
BETHESDA NAVAL HOSPITAL:			
BASE INSTALLATION ACCESS/APPEARANCE PLAN .....	7,000	7,000	.....
ELECTRICAL CAPACITY AND COOLING TOWERS .....	35,600	35,600	.....
TEMPORARY MEDICAL FACILITIES .....	26,600	26,600	.....

## MILITARY CONSTRUCTION PROJECT LISTING BY LOCATION—Continued

[In thousands of dollars]

Installation and project	Budget estimate	Committee recommendation	Committee recommendation compared with (+ or -) budget estimate
FORT DETRICK:			
USAMRIID STAGE 1, INCR 7 .....	19,000	19,000	.....
FORT MEADE:			
HIGH PERFORMANCE COMPUTING CENTER INC 2 .....	300,521	225,521	-75,000
NSAW RECAPITALIZE BUILDING #1/SITE M INC 1 .....	25,000	25,000	.....
ARMY RESERVE:			
ABERDEEN PROVING GROUND:			
ARMY RESERVE CENTER .....	21,000	21,000	.....
BALTIMORE:			
ADD/ALT ARMY RESERVE CENTER .....	10,000	10,000	.....
TOTAL, MARYLAND .....	511,221	436,221	-75,000
MASSACHUSETTS			
ARMY NATIONAL GUARD:			
CAMP EDWARDS:			
UNIT TRAINING EQUIPMENT SITE .....	22,000	22,000	.....
ARMY RESERVE:			
DEVENS RESERVE FORCES TRAINING AREA:			
AUTOMATIC RECORD FIRE RANGE .....	4,800	4,800	.....
COMBAT PISTOL/MP FIREARMS QUALIFICATION .....	3,700	3,700	.....
TOTAL, MASSACHUSETTS .....	30,500	30,500	.....
MINNESOTA			
ARMY NATIONAL GUARD:			
CAMP RIPLEY:			
SCOUT RECONNAISSANCE RANGE .....	17,000	17,000	.....
ST. PAUL:			
READINESS CENTER .....	17,000	17,000	.....
TOTAL, MINNESOTA .....	34,000	34,000	.....
MISSISSIPPI			
NAVY:			
MERIDIAN:			
DINING FACILITY .....	10,926	10,926	.....
TOTAL, MISSISSIPPI .....	10,926	10,926	.....
MISSOURI			
ARMY:			
FORT LEONARD WOOD:			
BATTALION COMPLEX FACILITIES .....	26,000	26,000	.....
TRAINEE BARRACKS COMPLEX 3, PH 2 .....	58,000	58,000	.....
VEHICLE MAINTENANCE SHOP .....	39,000	39,000	.....
DEFENSE-WIDE:			
FORT LEONARD WOOD:			
DENTAL CLINIC .....	18,100	18,100	.....
ARMY NATIONAL GUARD:			
FORT LEONARD WOOD:			
REGIONAL TRAINING INSTITUTE .....	18,000	18,000	.....
KANSAS CITY:			
READINESS CENTER ADD/ALT .....	1,900	1,900	.....
MONETT:			
READINESS CENTER ADD/ALT .....	820	820	.....
PERRYVILLE:			
READINESS CENTER ADD/ALT .....	700	700	.....
TOTAL, MISSOURI .....	162,520	162,520	.....

## MILITARY CONSTRUCTION PROJECT LISTING BY LOCATION—Continued

[In thousands of dollars]

Installation and project	Budget estimate	Committee recommendation	Committee recommendation compared with (+ or -) budget estimate
MONTANA			
ARMY NATIONAL GUARD:			
MILES CITY:			
READINESS CENTER .....	11,000	11,000	.....
TOTAL, MONTANA .....	11,000	11,000	.....
NEBRASKA			
AIR FORCE:			
OFFUTT AFB:			
US STRATCOM REPLACEMENT FACILITY, INCR 2 .....	161,000	128,000	-33,000
TOTAL, NEBRASKA .....	161,000	128,000	-33,000
NEVADA			
ARMY RESERVE:			
LAS VEGAS:			
ARMY RESERVE CENTER/AMSA .....	21,000	21,000	.....
TOTAL, NEVADA .....	21,000	21,000	.....
NEW JERSEY			
ARMY:			
JOINT BASE MCGUIRE-DIX-LAKEHURST:			
FLIGHT EQUIPMENT COMPLEX .....	47,000	47,000	.....
PICATINNY ARSENAL:			
BALLISTIC EVALUATION CENTER .....	10,200	10,200	.....
NAVY:			
EARLE:			
COMBAT SYSTEM ENGINEERING BUILDING ADDITION .....	33,498	33,498	.....
ARMY NATIONAL GUARD:			
SEA GIRT:			
REGIONAL TRAINING INSTITUTE .....	34,000	34,000	.....
ARMY RESERVE:			
JOINT BASE MCGUIRE-DIX-LAKEHURST:			
AUTOMATED INFANTRY SQUAD BATTLE COURSE .....	7,400	7,400	.....
TOTAL, NEW JERSEY .....	132,098	132,098	.....
NEW MEXICO			
AIR FORCE:			
HOLLOMAN AFB:			
MQ-9 MAINTENANCE HANGAR .....	25,000	25,000	.....
DEFENSE-WIDE:			
CANNON AFB:			
MEDICAL/DENTAL CLINIC REPLACEMENT .....	71,023	71,023	.....
SOF AC-130J COMBAT PARKING APRON .....	22,062	22,062	.....
AIR NATIONAL GUARD:			
KIRTLAND AFB:			
ALTER TARGET INTELLIGENCE FACILITY .....	8,500	8,500	.....
TOTAL, NEW MEXICO .....	126,585	126,585	.....
NEW YORK			
ARMY:			
FORT DRUM:			
AIRCRAFT MAINTENANCE HANGAR .....	95,000	95,000	.....
U.S. MILITARY ACADEMY:			
CADET BARRACKS .....	192,000	86,000	-106,000



## MILITARY CONSTRUCTION PROJECT LISTING BY LOCATION—Continued

[In thousands of dollars]

Installation and project	Budget estimate	Committee recommendation	Committee recommendation compared with (+ or -) budget estimate
DEFENSE-WIDE:			
FORT DRUM:			
IDT COMPLEX .....	25,900	25,900	.....
SOLDIER SPECIALTY CARE CLINIC .....	17,300	17,300	.....
ARMY NATIONAL GUARD:			
STORMVILLE:			
COMBINED SUPPORT MAINT SHOP PH1 .....	24,000	24,000	.....
NAVY RESERVE:			
BROOKLYN:			
VEHICLE MAINTENANCE FACILITY—BROOKLYN, NEW YORK ..	4,430	4,430	.....
AIR FORCE RESERVE:			
NIAGARA FALLS IAP:			
FLIGHT SIMULATOR FACILITY .....	6,100	6,100	.....
TOTAL, NEW YORK .....	364,730	258,730	-106,000
NORTH CAROLINA			
ARMY:			
FORT BRAGG:			
AERIAL GUNNERY RANGE .....	42,000	42,000	.....
INFRASTRUCTURE .....	30,000	.....	-30,000
UNMANNED AERIAL VEHICLE COMPLEX .....	26,000	26,000	.....
NAVY:			
CAMP LEJEUNE:			
BASE ACCESS AND ROAD—PHASE 3 .....	40,904	40,904	.....
STAFF NCO ACADEMY FACILITIES .....	28,986	28,986	.....
CHERRY POINT MARINE CORPS AIR STATION:			
ARMORY .....	11,581	11,581	.....
MARINE AIR SUPPORT SQUADRON COMPOUND .....	34,310	34,310	.....
NEW RIVER:			
PERSONNEL ADMINISTRATION CENTER .....	8,525	8,525	.....
DEFENSE-WIDE:			
CAMP LEJEUNE:			
MEDICAL CLINIC REPLACEMENT .....	21,200	21,200	.....
SOF MARINE BATTALION COMPANY/TEAM FACILITIES .....	53,399	53,399	.....
SOF SURVIVAL EVASION RESISTANCE ESCAPE TRAINING FACILITY .....	5,465	5,465	.....
FORT BRAGG:			
SOF BATTALION OPERATIONS FACILITY .....	40,481	50,481	+ 10,000
SOF CIVIL AFFAIRS BATTALION COMPLEX .....	31,373	41,373	+ 10,000
SOF SUPPORT ADDITION .....	3,875	3,875	.....
SOF SUSTAINMENT BRIGADE COMPLEX .....	24,693	34,693	+ 10,000
SEYMOUR JOHNSON AFB:			
MEDICAL CLINIC REPLACEMENT .....	53,600	53,600	.....
REPLACE PIPELINE .....	1,850	1,850	.....
TOTAL, NORTH CAROLINA .....	458,242	458,242	.....
NORTH DAKOTA			
AIR FORCE:			
MINOT AFB:			
B-52 ADD/ALTER MUNITIONS AGE FACILITY .....	4,600	4,600	.....
TOTAL, NORTH DAKOTA .....	4,600	4,600	.....
OHIO			
ARMY NATIONAL GUARD:			
CHILlicothe:			
FIELD MAINTENANCE SHOP ADD/ALT .....	3,100	3,100	.....

## MILITARY CONSTRUCTION PROJECT LISTING BY LOCATION—Continued

[In thousands of dollars]

Installation and project	Budget estimate	Committee recommendation	Committee recommendation compared with (+ or -) budget estimate
DELAWARE:			
READINESS CENTER .....	12,000	12,000	.....
TOTAL, OHIO .....	15,100	15,100	.....
OKLAHOMA			
ARMY:			
FORT SILL:			
MODIFIED RECORD FIRE RANGE .....	4,900	4,900	.....
ARMY NATIONAL GUARD:			
CAMP GRUBER:			
OPERATIONS READINESS TRAINING COMPLEX .....	25,000	25,000	.....
TOTAL, OKLAHOMA .....	29,900	29,900	.....
PENNSYLVANIA			
DEFENSE-WIDE:			
DEF DISTRIBUTION DEPOT NEW CUMBERLAND:			
REPLACE COMMUNICATIONS BUILDING .....	6,800	6,800	.....
REPLACE RESERVOIR .....	4,300	4,300	.....
REPLACE SEWAGE TREATMENT PLANT .....	6,300	6,300	.....
TOTAL, PENNSYLVANIA .....	17,400	17,400	.....
SOUTH CAROLINA			
ARMY:			
FORT JACKSON:			
TRAINEE BARRACKS COMPLEX 2, PH 2 .....	24,000	24,000	.....
NAVY:			
BEAUFORT:			
AIRCRAFT MAINTENANCE HANGAR .....	42,010	42,010	.....
AIRFIELD SECURITY UPGRADES .....	13,675	13,675	.....
GROUND SUPPORT EQUIPMENT SHOP .....	9,465	9,465	.....
RECYCLING/HAZARDOUS WASTE FACILITY .....	3,743	3,743	.....
SIMULATED LHD FLIGHT DECK .....	12,887	12,887	.....
PARRIS ISLAND:			
FRONT GATE ATFP IMPROVEMENTS .....	10,135	10,135	.....
DEFENSE-WIDE:			
SHAW AFB:			
MEDICAL CLINIC REPLACEMENT .....	57,200	57,200	.....
TOTAL, SOUTH CAROLINA .....	173,115	173,115	.....
TEXAS			
ARMY:			
CORPUS CHRISTI:			
AIRCRAFT COMPONENT MAINTENANCE SHOP .....	13,200	13,200	.....
AIRCRAFT PAINT SHOP .....	24,000	24,000	.....
FORT BLISS:			
MULTIPURPOSE MACHINE GUN RANGE .....	7,200	7,200	.....
FORT HOOD:			
MODIFIED RECORD FIRE RANGE .....	4,200	4,200	.....
TRAINING AIDS CENTER .....	25,000	25,000	.....
UNMANNED AERIAL VEHICLE COMPLEX .....	22,000	22,000	.....
JOINT BASE SAN ANTONIO:			
BARRACKS .....	21,000	21,000	.....
AIR FORCE:			
JOINT BASE SAN ANTONIO:			
DORMITORY (144 RM) .....	18,000	18,000	.....

## MILITARY CONSTRUCTION PROJECT LISTING BY LOCATION—Continued

[In thousands of dollars]

Installation and project	Budget estimate	Committee recommendation	Committee recommendation compared with (+ or -) budget estimate
<b>DEFENSE-WIDE:</b>			
<b>FORT BLISS:</b>			
HOSPITAL REPLACEMENT INCR 4 .....	207,400	107,400	-100,000
<b>JOINT BASE SAN ANTONIO:</b>			
AMBULATORY CARE CENTER PHASE 3 INCR .....	80,700	80,700	.....
<b>RED RIVER ARMY DEPOT:</b>			
DFAS FACILITY .....	16,715	16,715	.....
<b>NAVY RESERVE:</b>			
<b>FORT WORTH:</b>			
COMMERCIAL VEHICLE INSPECTION SITE .....	11,256	11,256	.....
<b>TOTAL, TEXAS</b> .....	<b>450,671</b>	<b>350,671</b>	<b>-100,000</b>
<b>UTAH</b>			
<b>AIR FORCE:</b>			
<b>HILL AFB:</b>			
F-35 ADAL BUILDING 118 FOR FLIGHT SIMULATOR .....	4,000	4,000	.....
F-35 ADAL HANGAR 45W/AMU .....	7,250	7,250	.....
F-35 MODULAR STORAGE MAGAZINES .....	2,280	2,280	.....
<b>DEFENSE-WIDE:</b>			
<b>CAMP WILLIAMS:</b>			
IC CNCI DATA CENTER 1 INC 4 .....	191,414	191,414	.....
<b>ARMY NATIONAL GUARD:</b>			
<b>CAMP WILLIAMS:</b>			
BEQ FACILITY (REGIONAL TRAINING INSTITUTE) .....	15,000	15,000	.....
REGIONAL TRAINING INSTITUTE PH2 .....	21,000	21,000	.....
<b>TOTAL, UTAH</b> .....	<b>240,944</b>	<b>240,944</b>	.....
<b>VIRGINIA</b>			
<b>ARMY:</b>			
<b>ARLINGTON:</b>			
CEMETERY EXPANSION MILLENNIUM SITE .....	84,000	.....	-84,000
<b>FORT BELVOIR:</b>			
SECURE ADMIN/OPERATIONS FACILITY .....	94,000	94,000	.....
<b>FORT LEE:</b>			
ADV INDIVIDUAL TRAINING BARRACKS COMPLEX, PH2 .....	81,000	81,000	.....
<b>NAVY:</b>			
<b>DAHLGREN:</b>			
CRUISER/DESTROYER UPGRADE TRAINING FACILITY .....	16,494	16,494	.....
PHYSICAL FITNESS CENTER .....	11,734	11,734	.....
<b>OCEANA NAVAL AIR STATION:</b>			
A SCHOOL BARRACKS .....	39,086	39,086	.....
<b>PORTSMOUTH:</b>			
DRYDOCK 8 ELECTRICAL DISTRIBUTION UPGRADE .....	32,706	32,706	.....
<b>QUANTICO:</b>			
INFRASTRUTURE—WIDEN RUSSELL ROAD .....	14,826	14,826	.....
THE BASIC SCHOOL STUDENT QUARTERS—PHASE 7 .....	31,012	31,012	.....
WEAPONS TRAINING BATTALION MESS HALL .....	12,876	12,876	.....
<b>YORKTOWN:</b>			
ARMORY .....	4,259	4,259	.....
BACHELOR ENLISTED QUARTERS .....	18,422	18,422	.....
MOTOR TRANSPORTATION FACILITY .....	6,188	6,188	.....
REGIMENTAL HEADQUARTERS .....	11,015	11,015	.....
SUPPLY WAREHOUSE FACILITY .....	8,939	8,939	.....
<b>DEFENSE-WIDE:</b>			
<b>JOINT EXPEDITIONARY BASE LITTLE CREEK—STORY:</b>			
SOF COMBAT SERVICES SUPPORT FACILITY—EAST .....	11,132	11,132	.....

## MILITARY CONSTRUCTION PROJECT LISTING BY LOCATION—Continued

[In thousands of dollars]

Installation and project	Budget estimate	Committee recommendation	Committee recommendation compared with (+ or -) budget estimate
NORFOLK:			
VETERINARY FACILITY REPLACEMENT .....	8,500	8,500	.....
TOTAL, VIRGINIA .....	486,189	402,189	-84,000
WASHINGTON			
ARMY:			
JOINT BASE LEWIS-MCCHORD:			
BATTALION COMPLEX .....	73,000	73,000	.....
WASTE WATER TREATMENT PLANT .....	91,000	91,000	.....
YAKIMA:			
CONVOY LIVE FIRE RANGE .....	5,100	5,100	.....
NAVY:			
KITSAP:			
EXPLOSIVES HANDLING WHARF #2 (INC) .....	280,041	254,200	-25,841
WHIDBEY ISLAND:			
EA-18G FLIGHT SIMULATOR FACILITY .....	6,272	6,272	.....
DEFENSE-WIDE:			
FORT LEWIS:			
SOF BATTALION OPERATIONS FACILITY .....	46,553	46,553	.....
SOF MILITARY WORKING DOG KENNEL .....	3,967	3,967	.....
ARMY NATIONAL GUARD:			
FORT LEWIS:			
READINESS CENTER .....	35,000	35,000	.....
ARMY RESERVE:			
JOINT BASE LEWIS-MCCHORD:			
ARMY RESERVE CENTER .....	40,000	40,000	.....
TOTAL, WASHINGTON .....	580,933	555,092	-25,841
WEST VIRGINIA			
ARMY NATIONAL GUARD:			
LOGAN:			
READINESS CENTER .....	14,200	14,200	.....
TOTAL, WEST VIRGINIA .....	14,200	14,200	.....
WISCONSIN			
ARMY NATIONAL GUARD:			
WAUSAU:			
FIELD MAINTENANCE SHOP .....	10,000	10,000	.....
ARMY RESERVE:			
FORT MCCOY:			
CENTRAL ISSUE FACILITY .....	12,200	12,200	.....
DINING FACILITY .....	8,600	8,600	.....
ECS TACTICAL EQUIPMENT MAINTENANCE FACILITY (TEMF) ...	27,000	27,000	.....
TOTAL, WISCONSIN .....	57,800	57,800	.....
WYOMING			
AIR NATIONAL GUARD:			
CHEYENNE MAP:			
C-130 FLIGHT SIMULATOR TRAINING FACILITY .....	6,486	6,486	.....
TOTAL, WYOMING .....	6,486	6,486	.....
BAHRAIN ISLAND			
NAVY:			
SW ASIA:			
COMBINED DINING FACILITY .....	9,819	9,819	.....

## MILITARY CONSTRUCTION PROJECT LISTING BY LOCATION—Continued

[In thousands of dollars]

Installation and project	Budget estimate	Committee recommendation	Committee recommendation compared with (+ or -) budget estimate
TRANSIENT QUARTERS .....	41,529	41,529	.....
TOTAL, BAHRAIN ISLAND .....	51,348	51,348	.....
BELGIUM			
DEFENSE-WIDE:			
BRUSSELS:			
NATO HEADQUARTERS FACILITY .....	26,969	26,969	.....
TOTAL, BELGIUM .....	26,969	26,969	.....
DIEGO GARCIA			
NAVY:			
DIEGO GARCIA:			
COMMUNICATIONS INFRASTRUCTURE .....	1,691	1,691	.....
TOTAL, DIEGO GARCIA .....	1,691	1,691	.....
DJIBOUTI			
NAVY:			
CAMP LEMONIER:			
CONTAINERIZED LIVING AND WORK UNITS .....	7,510	7,510	.....
FITNESS CENTER .....	26,960	26,960	.....
GALLEY ADDITION AND WAREHOUSE .....	22,220	22,220	.....
JOINT HQ/JOINT OPERATIONS CENTER FACILITY .....	42,730	42,730	.....
TOTAL, DJIBOUTI .....	99,420	99,420	.....
GERMANY			
DEFENSE-WIDE:			
RHINE ORDNANCE BARRACKS:			
MEDICAL CENTER REPLACEMENT INCR 2 .....	127,000	127,000	.....
STUTTGART-PATCH BARRACKS:			
DISA EUROPE FACILITY UPGRADES .....	2,413	2,413	.....
VOGELWEH:			
REPLACE VOGELWEH ELEMENTARY SCHOOL .....	61,415	61,415	.....
WEISBADEN:			
WEISBADEN HIGH SCHOOL ADDITION .....	52,178	52,178	.....
TOTAL, GERMANY .....	243,006	243,006	.....
GREECE			
NAVY:			
SOUDA BAY:			
AIRCRAFT PARKING APRON EXPANSION .....	20,493	20,493	.....
INTERMODAL ACCESS ROAD .....	4,630	4,630	.....
TOTAL, GREECE .....	25,123	25,123	.....
GREENLAND			
AIR FORCE:			
THULE AB:			
DORMITORY (48 PN) .....	24,500	24,500	.....
TOTAL, GREENLAND .....	24,500	24,500	.....
GUAM			
NAVY:			
JOINT REGION MARIANAS:			
NORTH RAMP PARKING (ANDERSEN AFB)—INC 2 .....	25,904	.....	-25,904

## MILITARY CONSTRUCTION PROJECT LISTING BY LOCATION—Continued

[In thousands of dollars]

Installation and project	Budget estimate	Committee recommendation	Committee recommendation compared with (+ or -) budget estimate
DEFENSE-WIDE:			
ANDERSEN AFB:			
UPGRADE FUEL PIPELINE .....	67,500	.....	-67,500
ARMY NATIONAL GUARD:			
BARRIGADA:			
JFHQ PH4 .....	8,500	8,500	.....
TOTAL, GUAM .....	101,904	8,500	-93,404
GUANTÁNAMO BAY, CUBA			
DEFENSE-WIDE:			
GUANTÁNAMO BAY:			
REPLACE FUEL PIER .....	37,600	37,600	.....
REPLACE TRUCK LOAD FACILITY .....	2,600	2,600	.....
TOTAL, GUANTÁNAMO BAY, CUBA .....	40,200	40,200	.....
ITALY			
ARMY:			
CAMP EDERLE:			
BARRACKS .....	36,000	36,000	.....
VICENZA:			
SIMULATIONS CENTER .....	32,000	32,000	.....
AIR FORCE:			
AVIANO AB:			
F-16 MISSION TRAINING CENTER .....	9,400	9,400	.....
TOTAL, ITALY .....	77,400	77,400	.....
JAPAN			
ARMY:			
OKINAWA:			
SATELLITE COMMUNICATIONS FACILITY .....	78,000	78,000	.....
SAGAMI:			
VEHICLE MAINTENANCE SHOP .....	18,000	18,000	.....
NAVY:			
IWAKUNI:			
MAINTENANCE HANGAR IMPROVEMENTS .....	5,722	5,722	.....
VERTICAL TAKE-OFF AND LANDING PAD NORTH .....	7,416	7,416	.....
OKINAWA:			
BACHELOR QUARTERS .....	8,206	8,206	.....
DEFENSE-WIDE:			
CAMP ZAMA:			
RENOVATE ZAMA HIGH SCHOOL .....	13,273	13,273	.....
KADENA AB:			
REPLACE ELEMENTARY SCHOOL .....	71,772	71,772	.....
REPLACE STEARLEY HEIGHTS ELEMENTARY SCHOOL .....	71,773	71,773	.....
SASEBO:			
REPLACE SASEBO ELEMENTARY SCHOOL .....	35,733	35,733	.....
ZUKERAN:			
REPLACE ZUKERAN ELEMENTARY SCHOOL .....	79,036	79,036	.....
TOTAL, JAPAN .....	388,931	388,931	.....
KOREA			
ARMY:			
CAMP HUMPHREYS:			
BATTALION HEADQUARTERS COMPLEX .....	45,000	45,000	.....

MILITARY CONSTRUCTION PROJECT LISTING BY LOCATION—Continued  
 [In thousands of dollars]

Installation and project	Budget estimate	Committee recommendation	Committee recommendation compared with (+ or -) budget estimate
DEFENSE-WIDE:			
KUNSAN AIR BASE:			
MEDICAL/DENTAL CLINIC ADDITION .....	13,000	13,000	.....
OSAN AFB:			
HOSPITAL ADDITION/ALTERATION .....	34,600	34,600	.....
REPLACE OSAN ELEMENTARY SCHOOL .....	42,692	42,692	.....
TOTAL, KOREA .....	135,292	135,292	.....
PUERTO RICO			
ARMY NATIONAL GUARD:			
CAMP SANTIAGO:			
READINESS CENTER .....	3,800	3,800	.....
CEIBA:			
REFILL STATION BUILDING .....	2,200	2,200	.....
GUAYNABO:			
READINESS CENTER [JFHQ] .....	15,000	15,000	.....
GURABO:			
READINESS CENTER .....	14,700	14,700	.....
TOTAL, PUERTO RICO .....	35,700	35,700	.....
ROMANIA			
NAVY:			
DEVESELU, ROMANIA:			
AEGIS ASHORE MISSILE DEFENSE COMPLEX .....	45,205	45,205	.....
DEFENSE-WIDE:			
DEVESELU, ROMANIA:			
AEGIS ASHORE MISSILE DEFENSE SYSTEM COMPLEX .....	157,900	157,900	.....
TOTAL, ROMANIA .....	203,105	203,105	.....
SPAIN			
NAVY:			
ROTA:			
GENERAL PURPOSE WAREHOUSE .....	3,378	3,378	.....
HIGH EXPLOSIVE MAGAZINE .....	13,837	13,837	.....
TOTAL, SPAIN .....	17,215	17,215	.....
UNITED KINGDOM			
DEFENSE-WIDE:			
MENWITH HILL STATION:			
MHS UTILITIES AND ROADS .....	3,795	3,795	.....
REPLACE MENWITH HILL ELEMENTARY/HIGH SCHOOL .....	46,488	46,488	.....
RAF FELTWELL:			
FELTWELL ELEMENTARY SCHOOL ADDITION .....	30,811	30,811	.....
RAF MILDENHALL:			
SOF CV-22 SIMULATOR FACILITY .....	6,490	6,490	.....
TOTAL, UNITED KINGDOM .....	87,584	87,584	.....
NATO SECURITY INVESTMENT PROGRAM .....	254,163	254,163	.....
WORLDWIDE UNSPECIFIED			
ARMY:			
HOST NATION SUPPORT .....	34,000	34,000	.....
MINOR CONSTRUCTION .....	25,000	25,000	.....
PLANNING AND DESIGN .....	65,173	46,173	-19,000
NAVY:			
PLANNING AND DESIGN .....	102,619	102,619	.....

## MILITARY CONSTRUCTION PROJECT LISTING BY LOCATION—Continued

[In thousands of dollars]

Installation and project	Budget estimate	Committee recommendation	Committee recommendation compared with (+ or -) budget estimate
MINOR CONSTRUCTION .....	16,535	16,535	.....
BAMS OPERATIONAL FACILITIES .....	34,048	34,048	.....
AIR FORCE:			
PLANNING AND DESIGN .....	18,635	18,635	.....
MINOR CONSTRUCTION .....	18,200	18,200	.....
SANITARY SEWER LIFT/PUMP STATION .....	2,000	2,000	.....
TRANSIENT CONTINGENCY DORMITORY .....	17,625	.....	-17,625
TRANSIENT AIRCRAFT HANGARS .....	15,032	.....	-15,032
DEFENSE-WIDE:			
CONTINGENCY CONSTRUCTION .....	10,000	10,000	.....
ENERGY CONSERVATION INVESTMENT PROGRAM .....	150,000	150,000	.....
PLANNING AND DESIGN:			
DEFENSE LEVEL ACTIVITIES .....	47,978	37,978	-10,000
DEPARTMENT OF DEFENSE DEPENDENT EDUCATION .....	105,569	105,569	.....
ENERGY CONSERVATION INVESTMENT PROGRAM .....	.....	10,000	+10,000
NATIONAL SECURITY AGENCY .....	8,300	8,300	.....
SPECIAL OPERATIONS COMMAND .....	27,620	27,620	.....
TRICARE MANAGEMENT ACTIVITY .....	105,700	105,700	.....
WASHINGTON HEADQUARTERS SERVICE .....	7,928	7,928	.....
MISSILE DEFENSE AGENCY .....	4,548	4,548	.....
DEFENSE INTELLIGENCE AGENCY .....	2,919	2,919	.....
DEFENSE LOGISTICS AGENCY .....	5,000	5,000	.....
SUBTOTAL, PLANNING AND DESIGN .....	315,562	315,562	.....
UNSPECIFIED MINOR CONSTRUCTION:			
DEFENSE LOGISTICS AGENCY .....	7,254	7,254	.....
DEPARTMENT OF DEFENSE DEPENDENT EDUCATION .....	4,091	4,091	.....
NATIONAL SECURITY AGENCY .....	3,000	3,000	.....
JOINT CHIEFS OF STAFF .....	6,440	6,440	.....
SPECIAL OPERATIONS COMMAND .....	10,000	10,000	.....
TRICARE MANAGEMENT ACTIVITY .....	5,000	5,000	.....
DEFENSE LEVEL ACTIVITIES .....	3,000	3,000	.....
SUBTOTAL, UNSPECIFIED MINOR CONSTRUCTION .....	38,785	38,785	.....
ARMY NATIONAL GUARD:			
PLANNING AND DESIGN .....	26,622	26,622	.....
MINOR CONSTRUCTION .....	15,057	15,057	.....
AIR NATIONAL GUARD:			
PLANNING AND DESIGN .....	4,000	4,000	.....
MINOR CONSTRUCTION .....	5,900	5,900	.....
ARMY RESERVE:			
PLANNING AND DESIGN .....	15,951	15,951	.....
MINOR CONSTRUCTION .....	10,895	10,895	.....
NAVY RESERVE:			
PLANNING AND DESIGN .....	2,118	2,118	.....
MINOR CONSTRUCTION .....	.....	.....	.....
AIR FORCE RESERVE:			
PLANNING AND DESIGN .....	2,879	2,879	.....
MINOR CONSTRUCTION .....	2,000	2,000	.....
FAMILY HOUSING, ARMY			
PLANNING AND DESIGN .....	4,641	4,641	.....
SUBTOTAL, CONSTRUCTION .....	4,641	4,641	.....
OPERATION AND MAINTENANCE:			
UTILITIES ACCOUNT .....	88,112	88,112	.....
SERVICES ACCOUNT .....	13,487	13,487	.....
MANAGEMENT ACCOUNT .....	56,970	56,970	.....



## MILITARY CONSTRUCTION PROJECT LISTING BY LOCATION—Continued

[In thousands of dollars]

Installation and project	Budget estimate	Committee recommendation	Committee recommendation compared with (+ or -) budget estimate
MISCELLANEOUS ACCOUNT .....	620	620	.....
FURNISHINGS ACCOUNT .....	31,785	31,785	.....
LEASING .....	203,533	203,533	.....
MAINTENANCE OF REAL PROPERTY .....	109,534	109,534	.....
PRIVATIZATION SUPPORT COSTS .....	26,010	26,010	.....
SUBTOTAL, OPERATION AND MAINTENANCE .....	530,051	530,051	.....
FAMILY HOUSING, NAVY AND MARINE CORPS			
CONSTRUCTION IMPROVEMENTS .....	97,655	97,655	.....
PLANNING AND DESIGN .....	4,527	4,527	.....
SUBTOTAL, CONSTRUCTION .....	102,182	102,182	.....
OPERATION AND MAINTENANCE:			
UTILITIES ACCOUNT .....	80,860	80,860	.....
SERVICES ACCOUNT .....	19,615	19,615	.....
MANAGEMENT ACCOUNT .....	62,741	62,741	.....
MISCELLANEOUS ACCOUNT .....	491	491	.....
FURNISHINGS ACCOUNT .....	17,697	17,697	.....
LEASING .....	83,774	83,774	.....
MAINTENANCE OF REAL PROPERTY .....	85,254	85,254	.....
PRIVATIZATION SUPPORT COSTS .....	27,798	27,798	.....
SUBTOTAL, OPERATION AND MAINTENANCE .....	378,230	378,230	.....
FAMILY HOUSING, AIR FORCE			
CONSTRUCTION IMPROVEMENTS .....	79,571	79,571	.....
PLANNING AND DESIGN .....	4,253	4,253	.....
SUBTOTAL, CONSTRUCTION .....	83,824	83,824	.....
OPERATION AND MAINTENANCE:			
UTILITIES ACCOUNT .....	75,662	75,662	.....
MANAGEMENT ACCOUNT .....	55,002	55,002	.....
SERVICES ACCOUNT .....	16,550	16,550	.....
FURNISHINGS ACCOUNT .....	37,878	37,878	.....
MISCELLANEOUS ACCOUNT .....	1,943	1,943	.....
LEASING .....	62,730	62,730	.....
MAINTENANCE .....	201,937	201,937	.....
PRIVATIZATION SUPPORT COSTS .....	46,127	46,127	.....
SUBTOTAL, OPERATION AND MAINTENANCE .....	497,829	497,829	.....
FAMILY HOUSING, DEFENSE-WIDE			
OPERATION AND MAINTENANCE:			
NATIONAL SECURITY AGENCY:			
UTILITIES .....	12	12	.....
FURNISHING .....	66	66	.....
LEASING .....	10,822	10,822	.....
MAINTENANCE OF REAL PROPERTY .....	73	73	.....
DEFENSE INTELLIGENCE AGENCY:			
FURNISHINGS .....	4,660	4,660	.....
LEASING .....	35,333	35,333	.....
DEFENSE LOGISTICS AGENCY:			
UTILITIES .....	283	283	.....
FURNISHINGS .....	422	422	.....
MAINTENANCE OF REAL PROPERTY .....	567	567	.....
SUBTOTAL, OPERATION AND MAINTENANCE .....	52,238	52,238	.....
DOD FAMILY HOUSING IMPROVEMENT FUND .....	1,786	1,786	.....

## MILITARY CONSTRUCTION PROJECT LISTING BY LOCATION—Continued

[In thousands of dollars]

Installation and project	Budget estimate	Committee recommendation	Committee recommendation compared with (+ or -) budget estimate
HOMEOWNERS ASSISTANCE PROGRAM .....	.....	.....	.....
BASE REALIGNMENT AND CLOSURE			
BASE REALIGNMENT AND CLOSURE ACCOUNT, 1990 .....	349,396	349,396	.....
BASE REALIGNMENT AND CLOSURE ACCOUNT, 2005 .....	126,697	126,697	.....
SUBTOTAL, BRAC .....	476,093	476,093	.....
RECAP			
ARMY .....	1,923,323	1,684,323	-239,000
NAVY AND MARINE CORPS .....	1,701,985	1,650,240	-51,745
AIR FORCE .....	388,200	322,543	-65,657
DEFENSE-WIDE .....	3,654,623	3,442,123	-212,500
ARMY NATIONAL GUARD .....	613,799	613,799	.....
AIR NATIONAL GUARD .....	42,386	42,386	.....
ARMY RESERVE .....	305,846	305,846	.....
NAVY RESERVE .....	49,532	49,532	.....
AIR FORCE RESERVE .....	10,979	10,979	.....
NATO .....	254,163	254,163	.....
CHEMICAL DEMILITARIZATION CONSTRUCTION, DEFENSE-WIDE .....	151,000	151,000	.....
DOD FAMILY HOUSING IMPROVEMENT FUND .....	1,786	1,786	.....
FAMILY HOUSING, ARMY .....	534,692	534,692	.....
FAMILY HOUSING, NAVY AND MARINE CORPS .....	480,412	480,412	.....
FAMILY HOUSING, AIR FORCE .....	581,653	581,653	.....
FAMILY HOUSING, DEFENSE-WIDE .....	52,238	52,238	.....
BRAC .....	476,093	476,093	.....
GRAND TOTAL .....	11,222,710	10,653,808	-568,902

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2012 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2013**  
[In thousands of dollars]

Item	2012 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2012 appropriation	Budget estimate
<b>TITLE I—DEPARTMENT OF DEFENSE</b>					
Military construction, Army .....	3,006,491	1,923,323	1,684,323	-1,322,168	-239,000
Military construction, Navy and Marine Corps .....	2,112,823	1,701,985	1,650,240	-462,583	-51,745
Military construction, Air Force .....	1,227,058	388,200	322,543	-904,515	-65,657
Military construction, Defense-Wide .....	3,431,957	3,654,623	3,442,123	+10,166	-212,500
Total, Active components .....	9,778,329	7,668,131	7,099,229	-2,679,100	-568,902
Military construction, Army National Guard .....	773,592	613,799	613,799	-159,793	.....
Military construction, Air National Guard .....	116,246	42,386	42,386	-73,860	.....
Military construction, Army Reserve .....	280,549	305,846	305,846	+25,297	.....
Military construction, Navy Reserve .....	26,299	49,532	49,532	+23,233	.....
Military construction, Air Force Reserve .....	33,620	10,979	10,979	-22,641	.....
Total, Reserve components .....	1,230,306	1,022,542	1,022,542	-207,764	.....
Total, Military construction .....	11,008,635	8,690,673	8,121,771	-2,886,864	-568,902
North Atlantic Treaty Organization Security Investment Program .....	247,611	254,163	254,163	+6,552	.....
Family housing construction, Army .....	176,897	4,641	4,641	-172,256	.....
Family housing operation and maintenance, Army .....	493,458	530,051	530,051	+36,593	.....
Family housing construction, Navy and Marine Corps .....	100,972	102,182	102,182	+1,210	.....
Family housing operation and maintenance, Navy and Marine Corps .....	367,863	378,230	378,230	+10,367	.....
Family housing construction, Air Force .....	60,042	83,824	83,824	+23,782	.....
Family housing operation and maintenance, Air Force .....	429,523	497,829	497,829	+68,306	.....
Family housing operation and maintenance, Defense-Wide .....	50,723	52,238	52,238	+1,515	.....
Department of Defense Family Housing Improvement Fund .....	2,184	1,786	1,786	-398	.....
Homeowners assistance fund .....	1,284	.....	.....	-1,284	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2012 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2013—Continued

(In thousands of dollars)

Item	2012 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2012 appropriation	Budget estimate
Total, Family housing .....	1,682,946	1,650,781	1,650,781	- 32,165	.....
Chemical demilitarization construction, Defense-Wide .....	75,312	151,000	151,000	+ 75,688	.....
Base realignment and closure:					
Base realignment and closure account, 1990 .....	323,543	349,396	349,396	+ 25,853	.....
Base realignment and closure account, 2005 .....	258,776	126,697	126,697	- 132,079	.....
Total, Base realignment and closure .....	582,319	476,093	476,093	- 106,226	.....
Rescissions (Sec. 131):					
Military Construction, Army .....	-100,000	.....	.....	+ 100,000	.....
Military Construction, Navy and Marine Corps .....	-25,000	.....	.....	+ 25,000	.....
Military Construction, Air Force .....	-32,000	.....	.....	+ 32,000	.....
Military Construction, Defense-Wide .....	-131,400	.....	.....	+ 131,400	.....
Rescission (Sec. 132):					
Base Realignment and Closure, 2005 .....	-258,776	.....	.....	+ 258,776	.....
Total, title I, Department of Defense .....	13,049,647	11,222,710	10,653,808	- 2,395,839	- 568,902
Appropriations .....	(13,598,823)	(11,222,710)	(10,653,808)	(- 2,943,015)	(- 568,902)
Rescissions .....	(- 547,176)	.....	.....	(+ 547,176)	.....
TITLE II—DEPARTMENT OF VETERANS AFFAIRS					
Veterans Benefits Administration					
Compensation and pensions .....	51,237,567	61,741,232	61,741,232	+ 10,503,665	.....
Readjustment benefits .....	12,108,488	12,607,476	12,607,476	+ 498,988	.....
Veterans insurance and indemnities .....	100,252	104,600	104,600	+ 4,348	.....
Veterans housing benefit program fund:					
(indefinite) .....	318,612	184,859	184,859	- 133,753	.....

(Limitation on direct loans)	(500)	(500)	(500)	(500)		
Administrative expenses	154,698	157,814	157,814	157,814	+ 3,116	
Vocational rehabilitation loans program account	19	19	19	19		
(Limitation on direct loans)	(3,019)	(2,729)	(2,729)	(2,729)	(- 290)	
Administrative expenses	343	346	346	346	+ 3	
Native American veteran housing loan program account	1,116	1,089	1,089	1,089	- 27	
Total, Veterans Benefits Administration	63,921,095	74,797,435	74,797,435	74,797,435	+ 10,876,340	
Veterans Health Administration						
Medical services:						
Advance from prior year	(39,649,985)	(41,354,000)	(41,354,000)	(41,354,000)	(+ 1,704,015)	
Current year request	41,354,000	165,000	155,000	155,000	+ 155,000	- 10,000
Advance appropriation, fiscal year 2014	41,354,000	43,557,000	43,557,000	43,557,000	+ 2,203,000	
Subtotal	41,354,000	43,722,000	43,712,000	43,712,000	+ 2,358,000	- 10,000
Medical support and compliance:						
Advance from prior year	(5,535,000)	(5,746,000)	(5,746,000)	(5,746,000)	(+ 211,000)	
Advance appropriation, fiscal year 2014	5,746,000	6,033,000	6,033,000	6,033,000	+ 287,000	
Subtotal	5,746,000	6,033,000	6,033,000	6,033,000	+ 287,000	
Medical facilities:						
Advance from prior year	(5,426,000)	(5,441,000)	(5,441,000)	(5,441,000)	(+ 15,000)	
Advance appropriation, fiscal year 2014	5,441,000	4,872,000	4,872,000	4,872,000	- 569,000	
Subtotal	5,441,000	4,872,000	4,872,000	4,872,000	- 569,000	
Medical and prosthetic research	581,000	582,674	582,674	582,674	+ 1,674	
Medical care cost recovery collections:						
Offsetting collections	- 3,326,000	- 2,527,000	- 2,527,000	- 2,527,000	+ 799,000	
Appropriations (indefinite)	3,326,000	2,527,000	2,527,000	2,527,000	- 799,000	
DoD-VA Joint Medical Funds (transfers out)		(- 280,000)	(- 280,000)	(- 280,000)	(- 280,000)	
DoD-VA Joint Medical Funds (by transfer)		(280,000)	(280,000)	(280,000)	(+ 280,000)	
Total, Veterans Health Administration	53,122,000	55,209,674	55,199,674	55,199,674	+ 2,077,674	- 10,000
Appropriations	(581,000)	(747,674)	(737,674)	(737,674)	(+ 156,674)	(- 10,000)
Advance from prior year	(50,610,985)	(52,541,000)	(52,541,000)	(52,541,000)	(+ 1,930,015)	
Advance appropriations, fiscal year 2014	(52,541,000)	(54,462,000)	(54,462,000)	(54,462,000)	(+ 1,921,000)	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2012 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2013—Continued

(In thousands of dollars)

Item	2012 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2012 appropriation	Budget estimate
National Cemetery Administration	250,934	258,284	258,284	+ 7,350	.....
National Cemetery Administration					
Departmental Administration					
General administration	416,737	416,737	424,737	+ 8,000	+ 8,000
General operating expenses, VBA	2,018,764	2,164,074	2,164,074	+ 145,310	.....
Information technology systems	3,111,376	3,327,444	3,327,444	+ 216,068	.....
Office of Inspector General	112,391	113,000	115,000	+ 2,609	+ 2,000
Construction, major projects	589,604	532,470	532,470	- 57,134	.....
Construction, minor projects	482,386	607,530	607,530	+ 125,144	.....
Grants for construction of State extended care facilities	85,000	85,000	85,000	.....	.....
Grants for the construction of veterans cemeteries	46,000	46,000	46,000	.....	.....
Total, Departmental Administration	6,862,258	7,292,255	7,302,255	+ 439,997	+ 10,000
GENERAL PROVISIONS					
Medical services (Sec. 227)	1,400,000	1,400,000	1,500,000	+ 100,000	+ 100,000
(Rescission)	- 1,400,000	- 1,400,000	- 1,500,000	- 100,000	- 100,000
Medical support and compliance (Sec. 227)	100,000	100,000	250,000	+ 150,000	+ 150,000
(Rescission)	- 100,000	- 100,000	- 250,000	- 150,000	- 150,000
Medical facilities (Sec. 227)	250,000	250,000	250,000	.....	.....
(Rescission)	- 250,000	- 250,000	- 250,000	.....	.....
Total, General Provisions	(1,750,000)	(1,750,000)	(2,000,000)	(+ 250,000)	(+ 250,000)
Appropriations	(1,750,000)	(1,750,000)	(2,000,000)	(- 250,000)	(- 250,000)
Rescissions	.....	.....	.....	.....	.....
Total, title II	124,156,287	137,557,648	137,557,648	+ 13,401,361	.....
Appropriations	(73,365,287)	(84,845,648)	(85,095,648)	(+ 11,730,361)	(+ 250,000)

Rescissions .....	(- 1,750,000)	(- 1,750,000)	(- 2,000,000)	(- 250,000)	(- 250,000)
Advance from prior year .....	(50,610,985)	(52,541,000)	(52,541,000)	(+ 1,930,015)	(+ 1,930,015)
Advance appropriations, fiscal year 2014 .....	(52,541,000)	(54,462,000)	(54,462,000)	(+ 1,921,000)	(+ 1,921,000)
(Limitation on direct loans) .....	(3,519)	(3,229)	(3,229)	(- 290)	(- 290)
TITLE III—RELATED AGENCIES					
American Battle Monuments Commission					
Salaries and expenses .....	61,100	58,400	58,400	- 2,700	- 2,700
Foreign currency fluctuations account .....	16,000	15,200	15,200	- 800	- 800
Total, American Battle Monuments Commission .....	77,100	73,600	73,600	- 3,500	- 3,500
U.S. Court of Appeals for Veterans Claims					
Salaries and expenses .....	30,770	32,481	32,481	+ 1,711	+ 1,711
Department of Defense—Civil					
Cemeterial Expenses, Army					
Salaries and expenses .....	45,800	45,800	41,000	- 4,800	- 4,800
Construction program .....	.....	.....	107,800	+ 107,800	+ 107,800
Total, Cemeterial Expenses, Army .....	45,800	45,800	148,800	+ 103,000	+ 103,000
Armed Forces Retirement Home—Trust Fund					
Operation and maintenance .....	65,700	65,590	65,590	- 110	- 110
Capital program .....	2,000	2,000	2,000	.....	.....
Armed Forces Retirement Home—General Fund					
Capital program .....	14,630	.....	.....	- 14,630	- 14,630
Total, Armed Forces Retirement Home .....	82,330	67,590	67,590	- 14,740	- 14,740
Total, title III .....	236,000	219,471	322,471	+ 86,471	+ 86,471
TITLE IV—OVERSEAS CONTINGENCY OPERATIONS					
Military Construction, Army .....	80,000	.....	.....	- 80,000	- 80,000
Military Construction, Navy and Marine Corps .....	189,703	.....	.....	- 189,703	- 189,703
Rescission from Title IV, Division E of Public Law 111-117 .....	- 269,703	.....	.....	+ 269,703	+ 269,703

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2012 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2013—Continued  
[In thousands of dollars]

Item	2012 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2012 appropriation	Budget estimate
Total, title IV .....					
Grand total .....	137,441,934	148,999,829	148,533,927	+ 11,091,993	- 465,902
Appropriations .....	(87,198,110)	(96,287,829)	(96,071,927)	(+ 8,873,817)	(- 215,902)
Rescissions .....	(- 2,297,176)	(- 1,750,000)	(- 2,000,000)	(+ 297,176)	(- 250,000)
Advances from prior year .....	(50,610,985)	(52,541,000)	(52,541,000)	(+ 1,930,015)	
Advance appropriations, fiscal year 2014 .....	(52,541,000)	(54,462,000)	(54,462,000)	(+ 1,921,000)	
Overseas contingency operations .....		(280,000)	(280,000)	(+ 280,000)	
(By transfer) .....		(- 280,000)	(- 280,000)	(- 280,000)	
(Transfer out) .....		(3,229)	(3,229)	(- 290)	
(Limitation on direct loans) .....	(3,519)				