

[COMMITTEE PRINT]

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**NOTICE: This is a draft for use of the Committee and its staff only, in preparation for markup.**

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**Calendar No. \_\_\_\_\_**

114TH CONGRESS }  
1st Session }

SENATE

{ REPORT  
114-000

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MILITARY CONSTRUCTION, VETERANS AFFAIRS, AND  
RELATED AGENCIES APPROPRIATION BILL, 2016

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MAY 00, 2015.—Ordered to be printed

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

**REPORT**

[To accompany H.R. 0000]

The Committee on Appropriations, to which was referred the bill (H.R. 0000) making appropriations for military construction, the Department of Veterans Affairs, and related agencies for the fiscal year ending September 30, 2016, and for other purposes, reports the same to the Senate with an amendment, and recommends that the bill as amended do pass.

*Amounts in new budget authority*

Total of bill as reported to the Senate .....	\$280,711,140,000
Amount of 2015 appropriations .....	169,188,368,000
Amount of 2016 budget estimate .....	281,923,122,000
Amount of House allowance .....	279,725,640,000
Bill as recommended to Senate compared to—	
2015 appropriations .....	+ 111,522,772,000
2016 budget estimate .....	- 1,211,982,000
House allowance .....	+ 985,500,000

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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. 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, including environmental remediation, for 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 the American Battle Monuments Commission and Arlington National Cemetery. Additionally, the bill funds the U.S. Court of Appeals for Veterans Claims and the Armed Forces Retirement Homes.

COMMITTEE RECOMMENDATION

The Committee recommends new budget authority totaling \$280,711,140,000 for fiscal year 2016 military construction, family housing, base closure, veterans healthcare and benefits, including fiscal year 2017 advance appropriations for veterans medical care and appropriated mandatories, and related agencies. This includes \$198,529,342,000 in mandatory funding and \$82,181,798,000 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 2016 request.

APPROPRIATIONS FOR FISCAL YEAR 2016

	Budget request	Senate recommendation
New budget authority .....	\$281,923,122,000	\$280,711,140,000
Previous advances provided for fiscal year 2016 for medical care .....	58,662,202,000	58,662,202,000
Less advances provided for fiscal year 2017 for medical care .....	- 173,331,739,000	- 172,119,757,000
Less advances provided for fiscal year 2017 for appropriated mandatories .....	- 103,982,585,000	- 103,982,585,000
Total appropriations for fiscal year 2016 .....	277,314,324,000	276,102,342,000

OVERVIEW AND SUMMARY OF BILL

The Military Construction, 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 22.3 million 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, Arlington National Cemetery, the Armed Forces Retirement Homes.

*Construction Contracting Outreach.*—The Committee remains concerned about the high unemployment rate of the Nation's construction industry. Despite the efforts of the Office of Federal Procurement Policy to increase communication between procurement officers and industry, the Committee believes that local contractors very often do not know about nor have the opportunity to compete for local construction projects funded in this act. Therefore, the Committee directs the Secretaries of the Defense and the Veterans Affairs Departments to ensure that regional/district offices responsible for construction projects inform and engage local construction industry contractors, especially small businesses, minority-owned businesses, and women-owned businesses, about Federal procurement opportunities and the bidding process. The Committee requests a clear outreach plan from each Secretary no later than 90 days after enactment of this act. This plan should modernize traditional outreach methods to reach a broader group of local contractors.

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 2016 military construction budget request. Witnesses included representatives of the Army, Navy, Marine Corps, Air Force, Missile Defense Agency, Pacific Command, Special Operations Command, and Defense Health Agency.

SUMMARY OF COMMITTEE RECOMMENDATIONS

The fiscal year 2016 budget request for military construction and family housing totals \$8,437,620,000. The Committee recommends \$8,083,000,000, which is \$354,620,000 below the President's budget request.

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 of 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.

#### MISSILE DEFENSE

The Committee remains committed to rapidly implementing the European Phased Adaptive Approach [EPAA]. The first Aegis Ashore missile defense site in Deveselu, Romania, is expected to be fully operational by the end of 2015. Construction in Romania has not been without difficulty, and the Committee notes the delays and additional costs associated with the high-altitude electromagnetic pulse [HEMP] shields. The Committee fully funds the request to build the second Aegis Ashore site, this one in Redzikowo, Poland, and expects the Missile Defense Agency [MDA] to apply the lessons learned from construction in Romania to expedite the project in Poland. As Iranian ballistic missiles become increasingly advanced, the activation of the Aegis Ashore sites is essential to the protection of U.S. and allied interests in Eastern and Central Europe. The Committee is aware that the European Reassurance Initiative has increased the number of U.S. and NATO rotational forces in Europe and directs MDA to accelerate activation of the Aegis Ashore systems wherever possible.

*Long Range Discrimination Radar.*—Section 128 of the Military Construction Appropriations Act for fiscal year 2014 prohibited the use of funds for "the decommissioning the Combined Heat and Power Plant at Clear Air Force Station, Alaska, until the Comp-

troller General of the United States conducts a review of the data used by the Department of Defense, including data in the Environmental Impact Statement and fiscal year 2010 Feasibility Study, to determine whether decommissioning the Combined Heat and Power Plant is the most cost-effective and beneficial option for the day-to-day operations and missions at the installation in support of United States national security.” On April 7, 2014, the Government Accountability Office [GAO] released to the subcommittee a report in response to this mandate. After the completion of that report the Missile Defense Agency announced that Clear Air Force Station is under consideration as a possible site for the new Long Range Discrimination Radar [LRDR] facility. If the LRDR is sited at Clear Air Force Station, the heat and power requirements and national security considerations are expected to significantly exceed those considered in the April 2014 GAO report. Moreover, the operators of the LRDR may find it advantageous for the Air Force to maintain the Combined Heat and Power Plant for security and operational reasons. In light of these changed circumstances, the Committee urges the Air Force to delay the decommissioning of the Combined Heat and Power Plant at Clear Air Force Station until such time as the future utility requirements can more accurately be determined.

*Pacific Realignment.*—U.S. economic and security interests are inextricably linked to developments in the arc extending from the Western Pacific and East Asia into the Indian Ocean and South Asia, creating a mix of evolving challenges and opportunities. The Department of Defense has stated that it would tailor its global presence and posture by rebalancing toward the Asia-Pacific region, emphasizing existing alliances and expanding networks of cooperation with emerging partners throughout the region to ensure collective capability and capacity for securing common interests. As part of this rebalance, the U.S. Pacific Command [PACOM] currently has programmed \$775,000,000 over the next 5 years for military construction in the region.

Approximately 39,000 U.S. military personnel, 43,000 dependents, and 5,000 DOD civilian employees are currently stationed on Japan, and the majority of this presence resides in Okinawa. Okinawa hosts over 25 percent of the U.S. bases in Japan, and Okinawa’s bases house approximately 8,000 Air Force personnel and up to 19,000 Marine Corps personnel on any given day. Attempts to realign, consolidate, and increase the sustainability of this presence have been ongoing for nearly two decades. Early plans were to move approximately 8,000 Marines and 9,000 dependents from Okinawa to Guam; however, in 2012 representatives from the U.S. and Japanese governments announced a revised plan that would relocate over 9,000 Marines from Okinawa and realign Marine forces throughout the Pacific: 4,800 to Guam, 2,700 to Hawaii, and 2,500 rotational troops to Australia.

The U.S. Government Accountability Office [GAO] has been reporting to this Committee on Asia Posture plans and costs since 2011. Based on GAO’s reports, it is not clear if sufficient existing military infrastructure is available in any of the receiving locations to support the relocation or if DOD has developed adequate cost estimates of infrastructure development that will be needed to ensure



mission capability. In addition, the U.S. Government is still negotiating certain host nation and land use agreements that are key to executing the construction plan.

As a result, the Committee is interested in learning the status of progress being made on the various realignment initiatives, the costs associated with these plans, and whether any alternatives to this plan are being considered. The Committee directs the Comptroller General of the United States to conduct a study and report the results of the study to the Congressional defense committees by April 18, 2016. At a minimum, the Comptroller General's study should answer the following questions:

- What is the status of the realignment initiatives, have alternatives been considered, and to what extent has DOD identified a plan that lays out the appropriate sequencing of projects supporting the realignment of Marines and the interdependent projects on Okinawa, including associated timeframes and costs for the projects?
- Can the Okinawa realignment timeframe be accelerated?
- What is the status of development of DOD's master plan to support the relocation of Marines to Guam?
- To what extent does sufficient, usable excess capacity exist on bases in Hawaii to support the Marines' relocation there?
- To what extent do sufficient facilities in Australia exist to support the planned force rotations there?
- What estimated costs has DOD identified it will need to develop new, or redevelop existing, infrastructure in Guam, Hawaii, Australia, Alaska, or other locations it may be considering for the realignment?
- What is the status of relevant host nation and land use agreements required to execute the plan?

*National Geospatial-Intelligence Agency—West.*—The Committee recognizes the current National Geospatial-Intelligence Agency—West [NGA West] facility is functionally obsolete and faces increased force protection risks. The Committee understands that a replacement facility is needed to provide a safe and secure work environment to increase efficiency with minimal transitional burden to its 3,000 employees. The current lack of anti-terrorism and force protection measures are of great concern to the Committee. Further, the outdated facilities continue to require high maintenance costs that are increasingly unpredictable. The recommendation fully funds the President's request for the preliminary design of a new NGA West facility. The Committee recognizes the significant contributions of NGA toward national security and expects the fiscal year 2017 budget request to include full funding for the first phase of the new facility and further expects NGA to pursue construction expeditiously.

*Overseas Military Construction.*—The United States' foremost national security priority is to protect the Nation and keep its citizens and its communities safe. However, in responding to emerging regional or global threats, the U.S. often bears a disproportionately large part of the cost-sharing burden, including the cost of infrastructure investment. Forward deployed military forces are a crucial element in protecting the security of the United States, but as military construction budgets decrease, our Nation's allies must

similarly prioritize infrastructure investments as a cornerstone of cooperative defense policy. Therefore, the Department of Defense is urged to explore joint funding streams and seek greater host-nation contributions to U.S. military construction investments overseas.

*Basic Allowance for Housing.*—Annual housing market surveys are conducted on an installation-by-installation basis, and are used by the Department to set proper Basic Allowance for Housing [BAH] rates to cover housing costs, including rent, utilities, and rental insurance, when servicemembers and their families live in off-base housing. While on-base or privatized housing is available on most major installations, the inventory is generally limited, and it is the Department's policy to rely on the private sector as the primary source of housing for eligible military personnel and their families. To determine the annual BAH rates, the Department analyzes rental rates in communities surrounding installations to determine the average cost of renting suitable housing. While this is generally effective in establishing equitable BAH rates, for installations in rural States or regions where housing availability is constrained or where adjacent housing areas may not reflect the average cost of housing in nearby, more populous, communities, servicemembers may have difficulties finding affordable housing within the BAH rate. The Committee, therefore, directs the Department to provide a report to the Committees on Appropriations of both Houses of Congress within 90 days of enactment of this act on the analytics used to determine BAH rates for installations in rural States or regions, including the extent to which the rates are adjusted to reflect the availability-versus-demand of suitable housing in surrounding areas, and the extent to which the cost of rent, utilities and rental insurance in nearby more populous communities is factored into the rate.

*Department of Defense Studies.*—The Committee notes that the Department of Defense frequently fails to complete and deliver to Congress significant studies in a timely manner. As a result, the Committee is handicapped in its ability to adequately evaluate the Department's requests for additional projects due to the realignment of forces, consolidation of facilities, or major force structure changes.

*Defense Access Roads and Entry Control Points.*—The Committee remains concerned about the impact of military construction funding constraints on the prioritization of essential Defense Access Roads and Entry Control Points at a number of U.S. military installations. Of particular concern are growth installations that serve primarily as host commands for a wide array of military services and agencies, and bases that have experienced significant population growth as a result of base realignment activities.

Adding to the urgency of this problem, the U.S. Northern Command on May 8, 2015, raised the force protection level for all military installations in the continental United States to the second highest alert level, Bravo, which applies when an increased or more predictable threat of terrorist activity exists. According to the Defense Department, the security order affects 3,200 sites, including bases, National Guard facilities, recruiting stations and health clinics. As a result of this action, there will be more comprehensive checking of those entering military installations, which could have

traffic implications on surrounding roads. Moreover, the increased threat level is an urgent call to U.S. military installations to review the adequacy of their Defense Entry Control points, and to prioritize projects that will both increase security and ease surrounding traffic congestion.

The Committee commends the Department of the Army for prioritizing entry control points and traffic mitigation projects in its fiscal year 2016 Unfunded Priority List, and recommends funding of the highest priority projects. However, the Committee strongly encourages the services to prioritize funding of projects addressing Entry Control Points and corresponding Defense Access Roads in their annual military construction budget requests.

In addition to the security implications of adequate Entry Control Points and adjacent Defense Access Roads, the Committee also recognizes the immediate and significant transportation needs in many States and communities that are experiencing substantial population growth as a result of defense activities. The Department of Defense's Office of Economic Adjustment estimates that there is a considerable amount of mission-critical transportation projects in need of funding. For those projects that are part of a State transportation improvement program or that are required as a result of Base Realignment and Closure development, making new Federal funds available would allow work on these projects to begin promptly. By including mission-growth transportation projects as eligible infrastructure projects for new Federal funds, important improvements can be made while creating jobs and strengthening national security.

The Committee supports adjustment in Defense Access Road eligibility thresholds and requirements for installations of strategic importance, and a separate and distinct Defense Access Road funding source to offset the impacts of base expansion on the surrounding transportation network. Federal funds are needed to complement other State and local resources to address the congestion issues that will persist for decades.

*Energy Policy.*—The Department of Defense [DOD] is the largest consumer of energy in the Federal Government, accounting for 80 percent of the total amount of energy consumption. The Committee commends the Department for its efforts to improve the energy efficiency of its facilities and installations, reduce its energy consumption, and invest in renewable energy projects and energy security. These efforts, as well as programs and projects to enhance water conservation and improve the security of military installation energy sources, are key components of the Department's strategy to meet the Congressional and DOD mandated goals for renewable energy generation and energy and water efficiency. The goals are critical to reducing long-term energy costs to the Federal Government and to ensuring that military mission capabilities and readiness are not hampered by constraints on energy and water resources.

The Committee continues to support the Department's efforts to incorporate green building technologies into new facility construction and into the renovation of existing buildings. In doing so, DOD and the services should seize upon leading-edge technologies and new and underutilized, low cost energy-efficient technologies that

provide value through minimal life-cycle costs. In order to capture the most innovative of these new technologies, the Department and the services are encouraged to monitor new technologies emerging from government, industry, and academia.

Military installations in Hawaii are among those at the forefront of the military's efforts to address these issues, including the development of net-zero energy military housing and installation facilities, and upgrades and retrofits for improved energy and water efficiency. Two of Hawaii's installations are serving as demonstration sites for the Smart Power Infrastructure Demonstration for Energy Reliability and Security [SPIDERS] program. The efforts underway in Hawaii, and at military installations elsewhere, are helping to inform Department-wide and Government-wide energy policies and investment strategies. These investments are already paying dividends in terms of both reduced energy consumption and cost savings. In testimony before the Senate Armed Services Committee, Secretary of the Navy Ray Mabus noted that energy efficiency projects underway in Hawaii are projected to save the Federal Government \$4,500,000 per year. This is an example of the progress being made to reduce spending while addressing energy and water efficiency, conservation, and security at installations throughout the country.

*Water Conservation on Military Installations.*—The Committee notes with concern the prospect of increasingly severe drought-related water shortages in the Nation, especially in the western and southwestern regions of the United States. California's current drought-precipitated water crisis and prolonged droughts in other States should serve as a wake-up call to the Department of Defense [DOD] to redouble its efforts to manage and conserve water on military installations throughout the country. United States Code title 10 section 2866 grants the DOD authority to participate in programs conducted by a utility for the management of water demand or for water conservation. Section 2866 also permits the Secretary to carry out a military construction project for water conservation using funds appropriated or otherwise made available to the Department for water conservation, subject to congressional notification. The Committee encourages the Department to maximize its use of this and other authorities to preserve scarce water resources.

The Committee also notes that water conservation projects are eligible for funding through the Energy Conservation Investment Program [ECIP]. However, only 1 of the 33 projects requested in the fiscal year 2016 ECIP program addresses water conservation. The Department is urged to give water conservation projects equal consideration when selecting projects to be funded through ECIP.

The Committee recognizes that the DOD and the military services have in place a number of policies and initiatives to conserve water on military installations, including the Army's Net-Zero Water Initiative. In order to assess the current status of programs and policies to conserve water on military installations, the Secretary of Defense is directed to report to the Committees on Appropriations of both Houses of Congress within 90 days of enactment of this act on the following: (1) the current use of authorities provided in section 2866 or other relevant sections of title 10 to man-

age and conserve water on installations, including the use of water conservation funding for military construction projects; (2) existing programs and policies being used to conserve water on military installations; (3) the annual impact of these programs and policies on installation water consumption; and (4) plans for additional initiatives to reduce water consumption on installations.

*Coastal Erosion.*—The Committee is aware that coastal erosion is a growing concern of the Department of Defense. On June 30, 2014, the Government Accountability Office [GAO] released a report (GAO-14-446), which assessed 15 existing sites at defense installations in the U.S. that are vulnerable to the effects of coastal erosion and provided recommendations to improve readiness and reduce fiscal exposure for DOD. Among its findings, the GAO noted that DOD officials are concerned that increased erosion on the Alaskan coast threatens several Air Force radar early warning and communication installations. Furthermore, Navy officials are concerned that if a storm surge occurs while a submarine is undergoing maintenance while sitting in a dry dock, the damage would be substantial and costly. Given the potential impact of coastal erosion on key military installations, the Committee directs the Department to include an assessment of coastal erosion and potential flooding risks in the siting of proposed military construction projects.

*Military Construction Funding Initiatives.*—The bill includes funding for military construction initiatives to address important unfunded priorities included in the Department of Defense’s Unfunded Priority List provided to Congress. The Committee notes that in recent years the military construction budget requests have been at historically low levels. Amounts budgeted for facility sustainment, restoration, and modernization are similarly low. The infrastructure initiatives in the services Unfunded Priority Lists would ordinarily appear as part of the annual budget request, but were not included as the military construction budget remains constrained.

For this reason, the Committee includes an additional \$34,500,000 for the Army, \$34,320,000 for the Navy and Marine Corps, \$51,300,000 for the Army National Guard, and \$34,200,000 for the Army Reserve. All additional funding is reserved for projects that were included in the Unfunded Priority List submitted to Congress.

*Rescissions.*—The Committee recommends administrative provisions which rescind prior year unobligated funds due primarily to project bid savings and the slow execution of projects.

MILITARY CONSTRUCTION OVERVIEW

Appropriations, 2015 .....	\$4,777,212,000
Budget estimate, 2016 .....	6,653,105,000
House allowance .....	5,693,003,000
Committee recommendation .....	6,513,565,000

MILITARY CONSTRUCTION ACCOUNTS—PROGRAM DESCRIPTION

The military construction appropriation provides for acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Department of Defense. This appropriation also pro-

vides for facilities required as well as funds for infrastructure projects and programs required to support bases and installations around the world.

MILITARY CONSTRUCTION, ARMY

Appropriations, 2015 .....	\$528,427,000
Budget estimate, 2016 .....	743,245,000
House allowance .....	663,245,000
Committee recommendation .....	663,245,000

COMMITTEE RECOMMENDATION

The Committee recommends \$663,245,000 for the Army for fiscal year 2016. This amount is \$134,818,000 above the fiscal year 2015 enacted level, and \$80,000,000 below the budget request. Further detail of the Committee's recommendation is provided in the State table at the end of this report.

*Army Readiness.*—The Committee recognizes the importance of the Army's Combat Training Areas, including the Joint Readiness Training Center [JRTC] located at Fort Polk, Louisiana, in providing forces with joint and combined arms training across the full spectrum of conflict. Critical to executing this mission is the Joint Operations Center [JOC] that functions as the battle command center for all rotational training conducted at the installation. The Army's Future Years Defense Program [FYDP] includes a project to replace the JOC in fiscal year 2021. The Committee is concerned that the lack of a modern JOC is hampering the ability to effectively train rotational units preparing to deploy overseas. The Committee directs the Secretary of the Army to provide an assessment of the impact that the current JRTC JOC has in training effectiveness, systems integrity and functionality, and associated maintenance and utility costs. The Secretary shall submit the assessment to the Committee within 90 days of enactment of this act.

MILITARY CONSTRUCTION, NAVY AND MARINE CORPS

Appropriations, 2015 .....	\$1,018,772,000
Budget estimate, 2016 .....	1,669,239,000
House allowance .....	1,349,678,000
Committee recommendation .....	1,619,699,000

COMMITTEE RECOMMENDATION

The Committee recommends \$1,619,699,000 for Navy and Marine Corps military construction for fiscal year 2016. This amount is \$600,927,000 above the fiscal year 2015 enacted level, and \$49,540,000 below the budget request. Further detail of the Committee's recommendation is provided in the State table at the end of this report.

*Camp Pendleton Water Pipeline.*—The budget request proposed \$44,540,000 for a raw water pipeline from Camp Pendleton to the City of Fallbrook to upgrade the Camp Pendleton water system and allow the city to access water from the Santa Margarita watershed. The Committee is aware that the Navy and the Fallbrook Public Utility District are under a Federal Court Order to reach a settlement over water rights from the Santa Margarita River and that negotiations to reach such a settlement are ongoing. The Com-

mittee believes that an agreement among all the parties should be finalized and approved by the Court before initiating construction on this project. Therefore, the Committee has not provided funding for the project and directs the Navy to identify and report the project cost allocation between the Department of Defense and civilian entities.

MILITARY CONSTRUCTION, AIR FORCE

Appropriations, 2015 .....	\$811,774,000
Budget estimate, 2016 .....	1,389,185,000
House allowance .....	1,237,055,000
Committee recommendation .....	1,389,185,000

COMMITTEE RECOMMENDATION

The Committee recommends \$1,389,185,000 for the Air Force in fiscal year 2016. This amount is \$577,411,000 above the fiscal year 2015 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.

MILITARY CONSTRUCTION, DEFENSE-WIDE  
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2015 .....	\$1,991,690,000
Budget estimate, 2016 .....	2,300,767,000
House allowance .....	1,931,456,000
Committee recommendation .....	2,290,767,000

COMMITTEE RECOMMENDATION

The Committee recommends \$2,290,767,000 for projects considered within the Defense-Wide account in fiscal year 2016. This amount is \$299,077,000 above the fiscal year 2015 enacted level and \$10,000,000 below the budget request. Further detail of the Committee's recommendation is provided in the State table at the end of this report.

*Defense Health Agency.*—The Defense Health Agency [DHA] employs a comprehensive approach to hospital construction, working closely with the military services and monitoring the process as military hospitals are planned, built, maintained, and replaced. Military hospital construction projects are managed by the Army Corps of Engineers or the Naval Facilities Engineering Command [NAVFAC], both of which have extensive experience and expertise in managing large construction projects. DHA consults with the Corps and NAVFAC throughout the planning, design, and construction phases of a project to help manage project execution and change orders. Notably, DHA also accepts input from clinicians early on in the design process, but maintains control of the project after that point, which serves as a limiting factor on costly and time-consuming change orders. The close coordination among DHA, the Corps of Engineers, and NAVFAC enables DHA to more efficiently manage the design and construction of large-scale medical facilities, while containing cost and schedule overruns. Given the massive cost overruns and lengthy delays in recent Department of Veterans Affairs' hospital construction projects, the Committee directs DHA to consult with VA on best practices in hospital design and construction. Further, the Committee directs DHA to submit a report to the Committees on Appropriations of both Houses of Congress within 180 days of enactment of this act regarding steps DHA has taken to fulfill this directive.

*Medical Military Construction.*—The Committee provides funding for seven projects to renovate or build new medical treatment facilities within the Department of Defense. The medical military construction budget submissions for fiscal years 2015 and 2016 are the lowest levels of investment in 7 years. As a result, planned projects continue to be deferred indefinitely in the Future Years Defense Program [FYDP]. For example, the Fort Leonard Wood, Missouri, hospital replacement originally planned for fiscal year 2016 is once again deferred until fiscal year 2021 or later. The Committee notes the Surgeon General of the United States Army testified before the Senate Appropriations Subcommittee on Defense on March 25, 2015, that this hospital replacement project remains the Army's top medical military construction priority. The existing hospital last underwent a major renovation nearly 40 years ago. Due to the quality of life importance of this and other medical facilities like it,



the Committee strongly encourages the Department to prioritize and restore medical military construction projects within the FYDP submitted for fiscal year 2017. In addition, the Committee encourages the Department to continue collaborating with the Department of Veterans Affairs to pursue Joint DOD/VA medical facility projects.

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

Appropriations, 2015 .....	\$128,920,000
Budget estimate, 2016 .....	197,237,000
House allowance .....	167,437,000
Committee recommendation .....	197,237,000

COMMITTEE RECOMMENDATION

The Committee recommends \$197,237,000 for Military Construction, Army National Guard for fiscal year 2016. This amount is \$68,317,000 above the fiscal year 2015 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.

*National Guard Military Construction.*—Declining military construction investments resulting from current budget constraints are negatively impacting all branches of the Department of Defense. However, for the National Guard, securing military construction funding is further inhibited by the need for the respective States to acquire land for a project before the project can be programmed for funding. While this is rooted in past instances in which project execution was jeopardized because of issues in acquiring a site, the result is that a State has to acquire and hold land before the Guard can request military construction funding for a project. This requirement often results in a disconnect in the availability of State and Federal funding for a National Guard project, making it more difficult for the Guard to prioritize future project funding. Therefore, within 120 days following enactment of this act, the Director of the National Guard Bureau is directed to report to the Committees on Appropriations of both Houses of Congress on ways in which the process for National Guard military construction funding can be streamlined and more efficiently coordinated with the availability of land for a project so that Guard projects remain competitive in the Future Years Defense Program.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

Appropriations, 2015 .....	\$92,663,000
Budget estimate, 2016 .....	138,738,000
House allowance .....	138,738,000
Committee recommendation .....	138,738,000

COMMITTEE RECOMMENDATION

The Committee recommends \$138,738,000 for Military Construction, Air National Guard for fiscal year 2016. This amount is \$46,075,000 above the fiscal year 2015 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.

MILITARY CONSTRUCTION, ARMY RESERVE

Appropriations, 2015 .....	\$103,946,000
Budget estimate, 2016 .....	113,595,000
House allowance .....	104,295,000
Committee recommendation .....	113,595,000

COMMITTEE RECOMMENDATION

The Committee recommends \$113,595,000 for Military Construction, Army Reserve for fiscal year 2016. This amount is \$9,649,000 above the fiscal year 2015 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.

MILITARY CONSTRUCTION, NAVY RESERVE

Appropriations, 2015 .....	\$51,528,000
Budget estimate, 2016 .....	36,078,000
House allowance .....	36,078,000
Committee recommendation .....	36,078,000

COMMITTEE RECOMMENDATION

The Committee recommends \$36,078,000 for Military Construction, Navy Reserve for fiscal year 2016. This amount is \$15,450,000 below the fiscal year 2015 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.

MILITARY CONSTRUCTION, AIR FORCE RESERVE

Appropriations, 2015 .....	\$49,492,000
Budget estimate, 2016 .....	65,021,000
House allowance .....	65,021,000
Committee recommendation .....	65,021,000

COMMITTEE RECOMMENDATION

The Committee recommends \$65,021,000 for Military Construction, Air Force Reserve for fiscal year 2016. This amount is \$15,529,000 above the fiscal year 2015 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.

NORTH ATLANTIC TREATY ORGANIZATION

SECURITY INVESTMENT PROGRAM

Appropriations, 2015 .....	\$199,700,000
Budget estimate, 2016 .....	120,000,000
House allowance .....	150,000,000
Committee recommendation .....	120,000,000

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 \$120,000,000 for the North Atlantic Treaty Organization Security Investment Program [NSIP] for fiscal year 2016 as requested. This amount is \$79,700,000 below the fiscal year 2015 enacted level and equal to the budget request.

FAMILY HOUSING OVERVIEW

Appropriations, 2015 .....	\$1,190,535,000
Budget estimate, 2016 .....	1,413,181,000
House allowance .....	1,413,181,000
Committee recommendation .....	1,413,181,000

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 \$1,413,181,000 for Family Housing Construction, Operations and Maintenance, and the Department's family housing improvement fund for fiscal year 2016. This amount is \$222,646,000 above the fiscal year 2015 enacted level and equal to the budget request.

FAMILY HOUSING CONSTRUCTION, ARMY

Appropriations, 2015 .....	\$78,609,000
Budget estimate, 2016 .....	99,695,000
House allowance .....	99,695,000
Committee recommendation .....	99,695,000

COMMITTEE RECOMMENDATION

The Committee recommends \$99,695,000 for Army Family Housing Construction in fiscal year 2016, an amount equal to the budget request and \$21,086,000 above the fiscal year 2015 enacted level. Further detail of the Committee's recommendation is provided in the State table at the end of this report.

FAMILY HOUSING OPERATION AND MAINTENANCE, ARMY

Appropriations, 2015 .....	\$350,976,000
Budget estimate, 2016 .....	393,511,000
House allowance .....	393,511,000
Committee recommendation .....	393,511,000

COMMITTEE RECOMMENDATION

The Committee recommends \$393,511,000 for family housing operation and maintenance, Army for fiscal year 2016. This amount

is \$42,535,000 above the fiscal year 2015 enacted level and equal to the budget request.

FAMILY HOUSING CONSTRUCTION, NAVY AND MARINE CORPS

Appropriations, 2015 .....	\$16,412,000
Budget estimate, 2016 .....	16,541,000
House allowance .....	16,541,000
Committee recommendation .....	16,541,000

COMMITTEE RECOMMENDATION

The Committee recommends \$16,541,000 for Family Housing Construction, Navy and Marine Corps. This amount is \$129,000 above the fiscal year 2015 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.

FAMILY HOUSING OPERATION AND MAINTENANCE, NAVY AND MARINE CORPS

Appropriations, 2015 .....	\$354,029,000
Budget estimate, 2016 .....	353,036,000
House allowance .....	353,036,000
Committee recommendation .....	353,036,000

COMMITTEE RECOMMENDATION

The Committee recommends \$353,036,000 for family housing operation and maintenance, Navy and Marine Corps, in fiscal year 2016. This amount is \$993,000 below the fiscal year 2015 enacted level and equal to the budget request.

FAMILY HOUSING CONSTRUCTION, AIR FORCE

Appropriations, 2015 .....	\$160,498,000
Budget estimate, 2016 .....	160,498,000
House allowance .....	160,498,000
Committee recommendation .....	160,498,000

COMMITTEE RECOMMENDATION

The Committee recommends \$160,498,000 for Family Housing Construction, Air Force, in fiscal year 2016. This amount is equal to the budget request. Further detail of the Committee's recommendation is provided in the State table at the end of this report.

FAMILY HOUSING OPERATION AND MAINTENANCE, AIR FORCE

Appropriations, 2015 .....	\$327,747,000
Budget estimate, 2016 .....	331,232,000
House allowance .....	331,232,000
Committee recommendation .....	331,232,000

COMMITTEE RECOMMENDATION

The Committee recommends \$331,232,000 for family housing operation and maintenance, Air Force, in fiscal year 2016. This amount is \$3,485,000 above the fiscal year 2015 enacted level and equal to the budget request.

FAMILY HOUSING OPERATION AND MAINTENANCE, DEFENSE-WIDE

Appropriations, 2015 .....	\$61,100,000
Budget estimate, 2016 .....	58,668,000
House allowance .....	58,668,000
Committee recommendation .....	58,668,000

COMMITTEE RECOMMENDATION

The Committee recommends \$58,668,000 for family housing operation and maintenance, Defense-Wide, for fiscal year 2016. This amount is \$2,432,000 below the fiscal year 2015 enacted level and equal to the budget request.

FAMILY HOUSING IMPROVEMENT FUND

Appropriations, 2015 .....	\$1,662,000
Budget estimate, 2016 .....	
House allowance .....	
Committee recommendation .....	

PROGRAM DESCRIPTION

The Family Housing Improvement Fund 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 no funding for the Family Housing Improvement Fund in fiscal year 2016 in accordance with the budget request.

CHEMICAL DEMILITARIZATION CONSTRUCTION, DEFENSE-WIDE

Appropriations, 2015 .....	\$38,715,000
Budget estimate, 2016 .....	
House allowance .....	
Committee recommendation .....	

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 no funding for chemical demilitarization construction projects for fiscal year 2016 in accordance with the budget request.

DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT

Appropriations, 2015 .....	\$315,085,000
Budget estimate, 2016 .....	251,334,000
House allowance .....	251,334,000
Committee recommendation .....	251,334,000

PROGRAM DESCRIPTION

Section 2711 of the National Defense Authorization Act for Fiscal Year 2014 (Public Law 112-239) consolidated the Base Closure Account 1990 and the Base Closure Account 2005 into a single Department of Defense Base Closure Account. The Base Closure Account provides for cleanup and disposal of property consistent with the four closure rounds required by the base closure acts of 1988 and 1990, and 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 \$251,334,000 for the Department of Defense Base Closure Account for fiscal year 2016, equal to the budget request. Funds provided for fiscal year 2016 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 the use of funds for the hire of passenger motor vehicles.

SEC. 103. The Committee includes a provision that permits the 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 Gulf.

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

SEC. 120. The Committee includes a provision that requires 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. 121. The Committee includes a provision that provides authority to expend funds from the "Ford Island Improvement" account.

SEC. 122. The Committee includes a provision that allows the transfer of expired funds to the Foreign Currency Fluctuation, Construction, Defense Account.

SEC. 123. 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. 124. The Committee includes a provision that prohibits the use of funds in this title for planning and design and construction of projects at Arlington National Cemetery.

SEC. 125. The Committee includes a provision providing additional funds for unfunded military construction priorities for the Army.

SEC. 126. The Committee includes a provision providing additional funds for unfunded military construction priorities for the Navy and Marine Corps.

SEC. 127. The Committee includes a provision providing additional funds for unfunded military construction priorities for the Army National Guard.

SEC. 128. The Committee includes a provision providing additional funds for unfunded military construction priorities for the Army Reserve.

SEC. 129. The Committee includes a provision rescinding unobligated balances from various Military Construction accounts.

SEC. 130. The Committee includes a provision rescinding unobligated balances from 42 U.S.C. 3374.

SEC. 131. The Committee includes a provision regarding the consolidation or relocation of a U.S. Air Force RED HORSE Squadron outside of the United States.



TITLE II  
DEPARTMENT OF VETERANS AFFAIRS  
ITEMS OF SPECIAL INTEREST  
HEARINGS

The Subcommittee on Military Construction and Veterans Affairs, and Related Agencies held three hearings related to the fiscal year 2016 and 2017 Department of Veterans Affairs [VA] budget request. The subcommittee heard testimony from the Honorable Carolyn M. Clancy, Interim Under Secretary for Health, the Honorable Allison A. Hickey, Under Secretary for Benefits, and the Honorable Robert A. McDonald, Secretary of the Department of Veterans Affairs.

SUMMARY OF COMMITTEE RECOMMENDATIONS

The Committee recommendation includes \$163,792,416,000 for the Department of Veterans Affairs for fiscal year 2016, including \$94,546,757,000 in mandatory spending and \$69,245,659,000 in discretionary spending. The Committee also recommends \$63,271,000,000 in advance appropriations for veterans medical care for fiscal year 2017 and \$103,982,585,000 in advance appropriations for appropriated mandatories for fiscal year 2017.

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, 2014, there were an estimated 22 million living veterans, with 21.9 million of them residing in the United States and Puerto Rico. There were an estimated 25.7 million dependents (spouses and dependent children) of living veterans in the United States and Puerto Rico, and there were 566,000 survivors of deceased veterans receiving VA survivor benefits in the United States and Puerto Rico. Thus, approximately 48.3 million people, or 15 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 56 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 167 medical centers, 1,018 community-based outpatient clinics, 300 vet centers, and 135 community living centers 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. In 2016, cemetery activities will encompass 134 national cemeteries, two rural National Burial Grounds, 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.

*Whistleblower Protection.*—The Committee is deeply concerned about unacceptable retaliation against whistleblowers within the Department across the Nation. The Department has made many promises recently to foster a culture of openness by encouraging VA employees to report cases of wrongdoing, yet the Committee continues to hear reports that when whistleblowers do bring problems to light, the whistleblowers themselves are attacked in official and unofficial ways. Some examples of retaliation against whistleblowers reported to the Committee include: investigating the whistleblower rather than the reported problem, lowering performance appraisal ratings, reducing access to computers, conducting formal meetings with co-workers to turn other employees against the whistleblower, refusing to investigate allegations of retaliation against the whistleblower, and relocating the whistleblower's office space to areas with fewer amenities or unsanitary conditions. The Committee finds such actions reprehensible, and the Department is directed to send a clear and unequivocal message throughout the VA system that retaliation against whistleblowers will not stand,

and those in leadership who condone or ignore such retaliation will be held accountable. The Committee will continue to advocate on behalf of those employees who receive unfair retribution for reporting wrongdoing at VA facilities and will bring to the Department's attention every instance of whistleblower retaliation brought to its attention.

The Committee is concerned there is no proper mechanism at the Department to inform employees of their rights under the law with regards to reporting wrongdoing and whistleblower protection. The Committee is aware there is no whistleblower protection training for employees mandated within the Department, and there is not an official handbook or orientation outlining and explaining employee rights and responsibilities in this area, to include management and their role and responsibilities either when reporting wrongdoing themselves or supervising someone who has blown the whistle on misconduct, waste, fraud, or poor patient care. Therefore, the Department is directed to ensure all employees are educated on: their rights from retaliation, existing whistleblower protections, and resources available to them, to include the VA Office of the Inspector General [OIG], Office of Special Counsel, and the Merit System Protection Board and the location of such resources on the OIG Web site. The Department is directed to implement education for all employees on these issues through employee orientation, employee manuals, and periodic briefings. Additionally, employees must be educated on exemptions from privacy laws, specifically that healthcare providers are exempted from the Health Insurance Portability and Accountability Act [HIPAA] privacy rules when disclosing to OIG allegations of problems with patient care. Further, any VA employee who discloses HIPAA and Privacy Act information to OIG for purposes of providing such information for an OIG investigation is not in violation of these laws. The law shall be clearly communicated by the investigator prior to any investigative interview with a VA employee. Currently, the law is not clearly stated on the OIG Web site nor regularly communicated to VA employees. It is critical all employees understand their protections under the law and are encouraged to report misconduct, waste, fraud, and poor patient care so those engaging in wrongdoing may be held accountable.

*Electronic Health Record.*—Achieving interoperability between the health records of the Department of Veterans Affairs and the Department of Defense remains one of the highest priorities of the Committee. The Committee believes from a servicemember's initial military entrance physical to their final interaction with VA, a seamless health record should follow the individual. VA's VistA Evolution and DOD's new acquisition of an electronic health record are two separate and distinct programs, yet the Departments have a mandate from Congress to ensure the records are able to transmit computable data that can be used by clinicians on either side. The Committee also notes the increased utilization of medical care in the community by enrolled veterans makes it incumbent upon the Department to ensure medical information from outside VA can be easily brought into the VA's health record system. The Committee continues to expect the electronic health record will be de-

veloped with an open architecture to best leverage the innovation of the private sector.

In fiscal year 2013, 2014, and 2015, Congress required the Department to provide information on the cost, timeline, performance benchmarks, and interoperability capacity of VistA Evolution before releasing 75 percent of the funds appropriated. The Committee maintains in this act its oversight authority by placing similar constraints on the obligation or expenditure of funding for the development of VistA Evolution until certain conditions are met. Further explanation of the constraints included in the act is included in the appropriate section of the report.

*Denver VA Medical Center.*—The Committee was deeply disappointed to learn at the end of calendar year 2015 the scale of the gross mismanagement at the Denver VA Medical Center in Aurora, Colorado. With this project, the Department has breached the trust of the Committee, the Congress, and the taxpayer with its embarrassing mishandling of public funds. The new estimate to complete the hospital complex, as determined by the Army Corps of Engineers, is upwards of \$1.73 billion, which the Committee finds to be a wholly unacceptable cost for any VA major construction project of this scope. As late as October 2014, the Department was reporting to the Committee the total firm target price of the facility was \$640 million (revised upwards from the original total firm target price of \$604 million). The authorized amount for this facility was \$800 million, and the taxpayer may end up paying more than double that amount making this one of the most expensive medical centers in the world. The Committee finds it shocking the Department was aware the scale of the project and the choice in design as well as the type of contract VA negotiated made it possible the project might run over its authorized amount, yet it did not make rational decisions along the way to stay within budget. The Committee believes those managing this project were not good stewards of appropriated resources and were not advocates for the veterans they were duty-bound to protect and serve. The Department now finds itself in an untenable position of having to take money from other places within its budget in order to pay for the cost of the Aurora facility. The facility is also well behind schedule, as it will not be complete before the end of 2018.

Not only is the Committee disturbed by the egregious cost overrun and delay, the Committee has no faith in the Department's ability to manage major medical facility construction projects of this kind in the future. The Committee understands the Department has begun discussions with the U.S. Army Corps of Engineers [USACE] to seek their management of future major medical facility construction projects. The Committee believes USACE is the right partner for VA as it designs and constructs major medical facility construction projects, and the Committee directs the Department to enter into an agreement with USACE to manage the next seven major medical facility as outlined in the appropriated section of the report. The Department is directed to report to the Committees on Appropriations of both Houses of Congress within 30 days of enactment of this act on its agreement with USACE to manage these seven projects. Further explanation of the major construction ac-

count constraints included in the act is included in the appropriate section of the report.

*Disability Claims Backlog.*—The Committee commends the Department on its efforts to reduce the disability claims backlog and increase the accuracy of claims decisions, yet the backlog in disability claims remains a major concern of the Committee. The Committee is committed to ensuring the Department reaches its goal of processing all claims over 125 days with 98 percent accuracy and ending the backlog in 2015. The Committee has not only fully funded the request for claims processing in recent years, but has provided increases above the budget requests for hiring and training claims processors, bolstering the migration to electronic claims processing systems, and addressing the increasing backlog of appeals at the Board of Veterans Appeals. As a result of these funding levels and the specific measures intended to bring the backlog down included in the fiscal year 2014 and 2015 Military Construction and Veterans Affairs and Related Agencies appropriations bill and report, VBA has made significant and notable progress in reducing the number of backlogged claims from a high of 611,000 in March 2013 to fewer than 158,540 as of May 9, 2015.

The Committee is also committed to ensuring there is not a recurrence of any backlog or a reduction in accuracy. To that end, the Committee will continue to host reoccurring meeting of the disability claims interagency working group that began in May 2013. This group includes the Under Secretary of Benefits and representatives from the Department of Defense, the Social Security Administration, and the Internal Revenue Service. The Committee will continue to assert its oversight ability by monitoring these agencies as they work to better expedite the flow of interagency information needed to process claims in a timely manner. The Committee will continue to require the Department provide monthly updates on performance measures for each Regional Office.

Additionally, there is concern the gains VBA has made recently are the result of temporary measures such as overtime work and one-time funding increases from the Committee for hiring and training. The Committee directs the Department shift from crisis-mode to maintenance-mode in the area of claims processing. Once the backlog is reduced at the end of the 2015, it will be unacceptable to the Committee for VBA to carry a backlog of disability claims again. The Department must consider processing all claims within 125 days with 98 percent accuracy a mandate of VBA, and the Department should fund and staff this agency accordingly.

The Committee is also focused on the next assumed issue for disability claims: the backlog at the appellate level. The fiscal year 2016 justification accompanying the budget request states appeals received by the Board of Veterans Appeals are projected to increase 65 percent, from 49,611 in 2012 to 81,640 by the end of 2016. The Committee notes the Department is aware the appeals process needs reform and resources, and to that end, the Committee requests a report no later than 180 days after enactment of this act on the actions VBA is taking to reduce the backlog of appeals and streamline the appeals process.

*Curing Hepatitis C within the Veteran Population.*—The Committee is excited about the availability of new Hepatitis C drugs

that have a cure rate of 96 percent. The Department is to be commended for robustly treating veterans with Hepatitis C as the veteran population is twice as likely to have the virus as the general population. The Committee is aware the Department was unable to provide accurate estimates of drug treatment costs in the fiscal year 2016 request, and therefore, the Committee is directing more funding be allotted with in the Medical Services account to provide proper resources to address the need in fiscal year 2016.

*Homeless Veterans.*—Between 2009 and 2014, the estimated number of homeless veterans has been reduced by 33 percent. As a result of the investments the Committee, the Department, and various other Federal, State, and local partners have made over the past several years, it is highly likely the Department's Agency Priority Goal of ending veteran homelessness by the end of 2015 will be achieved. The Committee notes, however, the 2014 "Point in Time Count" prepared by the Department of Housing and Urban Development estimates there were 49,933 homeless veterans in the U.S. on a single night in January 2014. The Committee is aware even after "getting to zero" there remains much to be done to sustain the gains made in this area and prevent veterans from becoming homeless in the future. Therefore, the Committee provides the full fiscal year 2016 and 2017 budget requests for VA homelessness assistance programs and homeless veteran treatment costs. The Department is directed to provide a report to the Committees on Appropriations of both Houses of Congress as soon as feasibly possible after the end of calendar year 2015 noting if the Department met the goal of ending veterans homelessness and detailing how the Department will shift focus and resources to prevention.

*Tribal Veterans Service Officer.*—The Committee notes current regulations regarding recognition of officers of National, State, and Regional Organizations by the Secretary do not adequately cover Tribal or Native American organizations. The Committee believes this oversight should be addressed expeditiously and urges the Department to revise its current regulations to permit the certification of Tribal Veterans Service Officers in the same manner as State and Regional Veterans Officers.

#### VETERANS BENEFITS ADMINISTRATION

Appropriations, 2015 .....	\$94,293,775,000
Budget estimate, 2016 .....	94,712,847,000
House allowance, 2016 .....	94,712,847,000
Committee recommendation, 2016 .....	94,712,847,000
Budget estimate, advance appropriation, 2017 .....	103,982,585,000
House allowance, advance appropriation, 2017 .....	103,982,585,000
Committee recommendation, advance appropriation, 2017 .....	103,982,585,000

#### 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 \$94,712,847,000 for the Veterans Benefits Administration. This amount is composed of \$79,124,675,000 for Compensation and Pensions; \$15,344,922,000 for Readjustment Benefits; \$77,160,000 for Veterans Insurance and Indemnities; \$164,558,000 for the Veterans Housing Benefit Program Fund administrative expenses; \$31,000 for the Vocational Rehabilitation Loans Program account, with \$367,000 for administrative expenses; and \$1,134,000 for the Native American Veteran Housing Loan Program account. For the first time, the Committee recommendation also includes an advance appropriation of \$103,982,585,000 for the Veterans Benefits Administration for fiscal year 2017.

COMPENSATION AND PENSIONS

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2015 .....	\$79,071,000,000
Budget estimate, 2016 .....	79,124,675,000
House allowance, 2016 .....	79,124,675,000
Committee recommendation, 2016 .....	79,124,675,000
Budget estimate, advance appropriation, 2017 .....	87,146,761,000
House allowance, advance appropriation, 2017 .....	87,146,761,000
Committee recommendation, advance appropriation, 2017 .....	87,146,761,000

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 2016, the Department estimates it will obligate \$76,832,302,000 for payments to 4,299,512 veterans, 400,359 survivors, and 1,156 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 2016, the Department estimates that the Pensions program will provide benefits to 306,155 veterans and 216,131 survivors totaling \$5,963,099,000.

The Compensation and Pensions program funds certain burial benefits on behalf of eligible deceased veterans. These benefits pro-

vide 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 2016, the Department estimates the Compensation and Pensions program will obligate \$274,796,000 providing burial benefits. This funding will provide 68,290 burial allowances, 33,512 burial plot allowances, 31,057 service-connected death awards, 497,644 burial flags, 354,840 headstones or markers, and 84,226 graveliners or reimbursement for privately purchased outer burial receptacles.

COMMITTEE RECOMMENDATION

The Committee recommends \$79,124,675,000 for compensation and pensions. This is an increase of \$53,675,000 above the fiscal year 2015 enacted level and equal to the budget request. For the first time, the Committee recommendation also includes an advance appropriation of \$87,146,761,000 for fiscal year 2017 for compensation and pensions for fiscal year 2017. This is \$8,022,086,000 above the fiscal 2016 request and equal to the fiscal year 2017 budget request.

READJUSTMENT BENEFITS

Appropriations, 2015 .....	\$14,997,136,000
Budget estimate, 2016 .....	15,344,922,000
House allowance, 2016 .....	15,344,922,000
Committee recommendation, 2016 .....	15,344,922,000
Budget estimate, advance appropriation, 2017 .....	16,743,904,000
House allowance, advance appropriation, 2017 .....	16,743,904,000
Committee recommendation, advance appropriation, 2017 .....	16,743,904,000

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 \$15,344,922,000 for Readjustment benefits. This is an increase of \$347,786,000 above the fiscal year 2015 enacted level and equal to the budget request. For the first time, the Committee recommendation includes an advance appropriation of \$16,743,904,000 for Readjustment benefits for fiscal



year 2017. This is \$1,398,982,000 above the fiscal year 2016 request and equal to the fiscal year 2017 budget request.

VETERANS INSURANCE AND INDEMNITIES

Appropriations, 2015 .....	\$63,257,000
Budget estimate, 2016 .....	77,160,000
House allowance, 2016 .....	77,160,000
Committee recommendation, 2016 .....	77,160,000
Budget estimate, advance appropriation, 2017 .....	91,920,000
House allowance, advance appropriation, 2017 .....	91,920,000
Committee recommendation, advance appropriation, 2017 .....	91,920,000

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 \$77,160,000 for Veterans insurance and indemnities. This is an increase of \$13,903,000 above the fiscal year 2015 enacted level and equal to the budget request. For the first time, the Committee recommendation also includes an advance appropriation of \$91,920,000 for Veterans insurance and indemnities for fiscal year 2017. This is \$14,760,000 above the fiscal year 2016 request and equal to the fiscal year 2017 budget request.

VETERANS HOUSING BENEFIT PROGRAM FUND

	Program account	Administrative expenses
Appropriations, 2015 .....	.....	160,881,000
Budget estimate, 2016 .....	.....	164,558,000
House allowance .....	.....	164,558,000
Committee recommendation .....	.....	164,558,000

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. 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, and \$164,558,000 for administrative expenses for fiscal year 2016. 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, 2015 .....	10,000	361,000
Budget estimate, 2016 .....	31,000	367,000
House allowance .....	31,000	367,000
Committee recommendation .....	31,000	367,000

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 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 one year.

COMMITTEE RECOMMENDATION

The Committee recommends \$31,000 for program costs and \$367,000 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 \$2,952,381. It is estimated that the VA will make 3,129 loans in fiscal year 2016, with an average amount of \$943.

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

Appropriations, 2015 .....	\$1,130,000
Budget estimate, 2016 .....	1,134,000
House allowance .....	1,134,000
Committee recommendation .....	1,134,000

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 principal amount of a loan under this authority generally may not exceed \$417,000 however, in some locations this limit may be higher de-

pending on median area home prices. 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 \$1,134,000 for administrative expenses associated with this program. This is \$4,000 above the fiscal year 2015 enacted level and equal to the budget request.

VETERANS HEALTH ADMINISTRATION

Appropriations, 2015 .....	\$56,432,338,000
Advance appropriations, 2016 .....	58,662,202,000
Budget estimate, 2016 .....	1,921,103,000
House allowance, 2016 .....	1,593,367,000
Committee recommendation, 2016 .....	1,746,010,000
Budget estimate, advance appropriation, 2017 .....	63,271,000,000
House allowance, advance appropriation, 2017 .....	63,271,000,000
Committee recommendation, advance appropriation, 2017 .....	63,271,000,000

ADMINISTRATION OVERVIEW

The Veterans Health Administration [VHA] is home to the United States' largest integrated healthcare system consisting of 167 medical centers, 1,018 community-based outpatient clinic, 300 vet centers, and 135 community living centers.

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 2015, the Committee provided \$58,662,202,000 in advance appropriations for the VA's medical care accounts for fiscal year 2016. This included \$47,603,202,000 for Medical services, \$6,144,000,000 for Medical support and compliance, and \$4,915,000,000 for Medical facilities. The Committee also includes an Administrative Provision allowing the Department to carry forward into fiscal year 2016 certain amounts provided as an advance

for fiscal year 2015. For fiscal year 2016, the Committee recommends an additional \$1,124,197,000 for Medical services. Additionally, the Committee recommendation includes \$621,813,000 for Medical and prosthetic research. Medical care collections are expected to be \$2,445,000,000. The Committee recommendation also includes an advance appropriation of \$63,271,000,000 for veterans medical care for fiscal year 2017.

*Office of Inspector General Findings.*—The Committee is concerned with past investigations and findings by the Office of Inspector General [OIG] at the Department's healthcare facilities. The Committee commends the Department for its efforts to resolve past issues at the G.V. Sonny Montgomery VA Medical Center in Jackson, Mississippi, but remains concerned about ongoing problems with VA facilities in the Southeast region, as evidenced by the findings of deficiencies by OIG at the Gulf Coast Veterans Health Care System [HCS] in Biloxi, Mississippi (Report No. 14-04214-70). Therefore, the Department is directed to provide a report to the Committees on Appropriations of both Houses of Congress no later than 180 days after enactment of this act on the resolution of these issues at the Gulf Coast Veterans HCS. The Committee is hopeful these ongoing issues will not perpetuate distrust among the veterans it serves and urges the Department to continue to work diligently and expeditiously with VA centers across the country to resolve cases of delay, mismanagement, inappropriate activity, and inadequate care as discovered by OIG.

*Quarterly Reports on GAO Recommendations.*—The Committee notes with concern that VHA has been placed by GAO on its annual High Risk List. GAO identified many of the concerns the Committee has raised in previous years. While VA has taken action to address some of the GAO recommendations, more than 100 recommendations have not been fully addressed. Accordingly, the Department is directed to provide to the Committees on Appropriations of both Houses of Congress a quarterly progress report containing the Department's actions to address outstanding GAO findings and recommendations regarding VHA. Each quarterly report shall be submitted no later than 30 days after the end of the respective quarter.

*Veterans Access, Choice, and Accountability Act of 2014 Cost and Data Analysis.*—In response to VA wait time manipulation and failure to provide timely, quality healthcare to veterans, Congress passed the Veterans Access, Choice, and Accountability Act of 2014, Public Law 113-146 [VACAA] in July 2014, to improve transparency and provide veterans the choice to access healthcare if they live more than 40 miles from a VA medical facility or their wait time for an appointment was more than 30 days through the Choice Program [the Program].

The Committee welcomed VA's recent decision to expand eligibility criteria for the Program by changing the calculation used to determine the distance between a veteran's residence and the nearest VA medical facility from straight line distance to driving distance. In determining the nearest medical facility, however, the Department does not take into consideration whether that facility is able to provide the medical services a veteran requires. On multiple occasions, VA has stated altering the interpretation of the 40

mile rule to consider whether a VA medical facility is capable of offering healthcare services sought by the veteran would not only require a new statutory authority but would be financially infeasible with a cost of tens of billions of dollars. The Committee understands a VA cost estimate to expand the Program to eligible veterans, approximately 4 million individuals, who live more than 40 miles from a Level 1 and Level 2 VA medical facility was produced, however, the methodology applied was disparate from the VA Chief Business Office and Congressional Budget Office cost estimates provided for the Program in 2014. The result of using a different methodology on the VA cost estimate to expand the Program yielded a projection ranging from \$4 billion to \$34 billion annually to support a baseline of 4 million veterans. The Committee is concerned the VA cost estimate lacks a consistent methodology and certain critical factors that would reduce cost substantially. In order to determine the potential cost of serving additional veterans who are not currently eligible under the Program or who are not currently able to receive access to non-VA care through other authorities, it is essential VA conduct a comprehensive cost analysis rooted in substantiated reliable data utilizing the same methodology that was used to inform Congress prior to the passage of VACAA in July 2014.

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 a comprehensive cost analysis of the VACAA 40 mile rule criteria that factors potential cost-savings resulting from unobligated or unrealized travel vouchers and benefits. The cost analysis should exclude veterans who are accessing non-VA care utilizing other VA authorities, veterans who are eligible under VACAA but have not yet used the Program, and veterans who are eligible under VACAA and are currently using the Program. The report to Congress must also provide potential legislative and non-legislative solutions that offer veterans access to non-VA care when they live more than 40 miles from a VA medical facility incapable of providing medical services a veteran requires. This report shall include utilization data of non-VA care under the Program detailing the type of care (primary or specialty), healthcare services, procedures, and treatments administered to veterans by non-VA providers, and where geographically said healthcare is provided. The report shall include a survey of Community Based Outpatient Clinics and assess those capable and incapable of offering primary care services. The Committee recognizes VA may utilize title 38 section 1703 to permit veterans access to care outside VA due to geographic impediments, yet VA has not utilized this authority to augment and complement the VACAA 40 mile rule. The Committee expects VA to address this concern in the report and provide legal and reasonable justification that prevents VA from utilizing title 38 authorities.

*Vet Centers.*—The Committee recommendation includes the budget estimate of \$243,000,000 for readjustment counseling at Vet Centers. Vet Centers are community-based counseling centers that provide a wide range of social and psychological services. These services include: professional readjustment counseling to veterans and active duty servicemembers, counseling for the victims of mili-

tary sexual trauma, bereavement counseling for families who experience an active duty death, substance abuse assessments and referrals, VBA benefit information and referrals to Regional Offices, and employment counseling. Certain services also extend to the family members as a means to assist in the readjustment for veterans and active duty servicemembers. The Readjustment Counseling Service is composed of over 2,200 employees in 300 Vet Centers, 80 Mobile Vet Centers, and the Vet Center Combat Call Center. The Committee remains strongly supportive of these programs and notes the number of Vet Centers or Mobile Vet Centers is not expected to increase despite an increasing workload. In fact, VA estimates it will continue to operate the exact number of Vet Centers in fiscal year 2017 as it did in fiscal year 2014. Moreover, when existing law was changed to include eligibility for active duty servicemembers, it was determined the vast majority of those in the Reserve Components and the Guard were not eligible. The Committee is aware legislation has been introduced which would allow for expansion of eligibility to include the Reserve and Guard. In order to properly plan for this potential expansion, the Department is directed to undertake an evaluation of current and future workload to determine whether more Vet Centers or Mobile Vet Centers are needed. In addition, at Vet Centers where active duty workload exceeds veteran workload, VA should enter into discussions with DOD to determine if a reimbursable memorandum of understanding is warranted. VA shall submit details of this evaluation as well as what discussions have occurred with DOD to the Committees on Appropriations of both Houses of Congress no later than April 22, 2016.

*Women Veterans.*—The Committee believes VA must make better progress in addressing the needs of women veterans. Toward this end, the advance appropriation for fiscal year 2016 provided last year and the fiscal year 2017 advance appropriation included in the act fully fund gender-specific healthcare. Access to and utilization of VA benefits and services by women veterans remain low, with women often encountering cultural roadblocks in a system that was largely designed to meet the needs of male veterans. The Committee anticipates the results of an ongoing system-wide review intended to determine what type and number of healthcare workers the system should have to address current and future demand of gender-specific care. This review will help VA properly staff hospitals and clinics with healthcare professionals providing gender-specific care and lead to improved access for women veterans.

Last year, the Department was directed through the Women's Health Service and the Center for Women Veterans to begin to collect and analyze gender-specific data and to develop programs and funding recommendations based on this data. VA was also encouraged, in consultation with the Department of Defense, to establish a women's working group within the VA/DOD Joint Executive Committee aimed at creating or strengthening transition programs which address female concerns and cultural roadblocks so more women veterans access VA benefits and services. The Department is directed to report to the Committees on Appropriations of both Houses of Congress no later than 180 days after enactment of this act on the status of these efforts. To better assist women veterans

and increase their knowledge of the services and benefits to which they are entitled, the Department is directed to continue the Women Veterans Call Center. Additionally, in an effort to leverage VA's existing local community partnerships, such as those for homeless veterans, VA should establish support networks for women veterans to assist in accessing healthcare, employment services, financial counseling, and housing. Furthermore, recent studies have shown servicewomen who experience sexual assault while serving in the military are far more likely to develop PTSD as compared to other female veterans. VA must be prepared to provide these veterans with mental health services designed to treat the effects of military sexual trauma. The Department is directed to maximize the availability of mental health services available to veterans who were victims of MST and shall report to the Committees on Appropriations of both Houses of Congress semi-annually on these efforts.

## MEDICAL SERVICES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2015 .....	\$45,224,716,000
Advance appropriations, 2016 .....	47,603,202,000
Budget estimate, 2016 .....	1,124,197,000
House allowance, 2016 .....	971,554,000
Committee recommendation, 2016 .....	1,124,197,000
Budget estimate, advance appropriation, 2017 .....	51,673,000,000
House allowance, advance appropriation, 2017 .....	51,673,000,000
Committee recommendation, advance appropriation, 2017 .....	51,673,000,000

## 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 outpatient 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 2015, the Committee provided an advance appropriation of \$47,603,202,000 for fiscal year 2016. The recommendation for fiscal year 2016 includes an additional \$1,124,197,000 as included in the budget request. In addition, VA has the authority to retain co-payments and third-party collections, estimated to total \$2,445,000,000 in fiscal year 2016.

The Committee recommendation also includes an advance appropriation of \$51,673,000,000 for medical services for fiscal year 2017. This is \$4,069,798,000 above the level for fiscal year 2016 and equal to the fiscal year 2017 budget request.

*Office of Rural Health.*—Currently, 3.2 million rural veterans are enrolled in the VA system. This represents 36 percent of the total enrolled veteran population based on the 2010 U.S. Census. Men and women veterans from geographically rural areas make up a disproportionate share of servicemembers and comprise approximately 31 percent of the enrolled Operation Enduring Freedom and Operation Iraqi Freedom [OEF/OIF] veterans, many of whom return to their rural communities. The Committee maintains its strong support for the Office of Rural Health [ORH] and the Rural Health Initiative and recommends \$270,000,000 for the program in fiscal year 2016. The Committee is aware ORH collaborates with other VA program offices, Federal and State partners, and rural communities to optimize the use of available and emerging technologies, establish new access points to care, and employ strategies to increase healthcare options for all rural veterans. The Committee believes these partnerships are key to ensuring access to care for veterans in rural and highly rural areas. In order to ensure long term care and services are available, the Committee directs ORH to work with rural and highly rural States to determine the gaps that exist in long-term care and services in rural areas. To help facilitate the establishment of more bed space in underserved rural areas, bill language is included to allow up to



\$20,000,000 to be transferred to the Grants for Construction of State Extended Care Facilities.

*Curing Hepatitis C Within the Veteran Population.*—The Committee includes language in the act that funds the treatment of Hepatitis C within the VA system at no less than \$900,000,000 in fiscal year 2016. As previously mentioned in the report, the Committee is aware the Department's request for drug treatment costs in the fiscal year 2016 request was inaccurate, and therefore, the Committee is directing more funding be allotted with in the Medical Services account to provide proper resources to address the need in fiscal year 2016. The Department is directed to provide quarterly updates beginning at the end of the first quarter of fiscal year 2016 to the Committees on Appropriations of both Houses of Congress detailing the expenditures and obligations of funding Hepatitis C treatment to date in fiscal year 2016, the number of veterans treated to date in fiscal year 2016, the number of veterans deemed cured to date in fiscal year 2016, and the projection of spending, new starts for drug treatment, and number of veterans who will be cured in the next quarter. The first quarterly report shall include this same data for all of fiscal year 2015.

*Intermediate Care Technician Program.*—The Committee understands in many parts of the country, VA facilities are experiencing a shortage of healthcare providers. In January 2013, VA launched the Intermediate Care Technician [ICT] program, which allows Army medics, Air Force medical technicians, and Navy/Marine and Coast Guard Hospital Corpsmen to go directly from active duty military service to work within VHA as ICTs without undergoing additional licensure. This highly successful program provided immediate employment opportunities to highly trained veterans to care for other veterans. The Committee directs the Department to expand this program by 250 additional ICT positions for an additional 3 years.

*Access to Care.*—Hawaii and Alaska present unique challenges for VA in delivering timely healthcare. For instance, if VA does not provide a particular healthcare service within the VHA system, Hawaii and Alaska veterans have been directed to fly thousands of miles to a VA medical center within the continental United States, regardless of whether adequate healthcare may exist within the State through a local provider. The Committee remains concerned extensive travel requirements, coupled with lengthy delays scheduling this travel, create unusual hardships on Hawaii and Alaska veterans. The Department has reported it is making progress in addressing these unique problems through the "Care Closer to Home Program." The Committee encourages VA to continue these efforts and will continue to monitor its progress.

*Staffing of Alaska VA Healthcare System.*—In its report to accompany the fiscal year 2015 bill, the Committee made note of the difficulties VA has encountered in finding a full time physician to staff the Wasilla Community Based Outpatient Clinic—a facility that should be assigned two full time providers given its patient load. The Committee also understands VA has faced challenges in maintaining consistent staffing at its Fairbanks Community Based Outpatient Clinic. To address gaps in primary care staffing in Anchorage and the Matanuska-Susitna Borough, the Alaska VA

Healthcare System has entered into agreements with the Alaska Neighborhood Health Center and Southcentral Foundation, an Alaska Native health provider, to take over a significant portion of its primary care caseload. These are a few examples of the chronic difficulties the Alaska VA Healthcare System faces in maintaining consistent staffing. Recognizing these difficulties, the Alaska VA Healthcare System is investigating partnerships with medical schools to increase the number of physicians who pursue post-graduate training in Alaska. The reasoning behind this effort is physicians often decide to permanently practice in the communities in which they are trained. The Committee encourages VA to pursue this effort as well as other proactive steps to ensure Alaska veterans receive timely and appropriate healthcare. Toward this end, VA may also wish to investigate whether to contract the operation of particular Community Based Outpatient Clinics in Alaska to components of the Alaska Native Healthcare System and Community Health Centers which have the capacity to provide care to Alaska veterans without compromising the service provided to existing patients.

*Access Received Closer to Home.*—The Access Received Closer to Home [ARCH] program has been successful in benefitting rural and highly rural veterans in the States in which it operates. Veteran Integrated Service Network [VISN] analysis demonstrates more than 90 percent of veterans who received primary care services through ARCH were “completely satisfied” with the care and cited significantly shortened travel times. ARCH was reauthorized in Section 104 of the Veterans Access, Choice, and Accountability Act of 2014 (Choice Act) for an additional 2 years, and VA was given the authority to expand the program within the VISN in which it operates. Given its proven track record, VA is urged to consider ARCH a model for establishing and maintaining a cooperative and mutually beneficial relationship with providers in local communities, which can remove barriers to accessing care for veterans in rural and highly rural areas. The Committee urges VA to consider the administrative and cost efficiencies that may be gained from working directly with local providers to administer the program. The Committee is concerned VA does not intend to expand the program within the VISNs in which it operates nor intend to advocate extending ARCH beyond fiscal year 2017. The Department is directed to provide a report to the Committees on Appropriations of both Houses of Congress no later than 180 days after enactment of this Act detailing the feasibility of extending and expanding the ARCH program. The report must include the internal VA process that determines whether a veteran receives non-VA care through ARCH, the Choice Act, or another fee care option. The report must include veteran satisfaction survey data and utilization data. The report must describe the healthcare services, procedures, and treatments administered to veterans by non-VA providers and where geographically said healthcare is being provided.

*Affordable Housing for Low Income Veterans.*—While homelessness among veterans has decreased steadily over the last several years, more must be done to ensure affordable housing is available to low-income veterans transitioning into permanent housing. The Committee is aware the Secretary of Veterans Affairs, in collabora-

tion with the Secretary of the Department of Housing and Urban Development and Public Housing Authorities, conducts outreach to landlords, property management companies, and housing developers to improve the availability of affordable housing to formerly homeless veterans. There is concern, however, the effectiveness of this outreach varies across the country. The Department is directed to submit a report to the Committees on Appropriations of both Houses of Congress no later than 180 days after enactment of this act which outlines the type of outreach conducted and an action plan to close any gaps identified.

*Homelessness in Rural Areas.*—The Committee recognizes homelessness in rural areas differs from homelessness in more urban areas, as do the means to combat it. The Department is directed to conduct a comprehensive needs assessment of veterans in rural areas who are homeless or at-risk of becoming homeless in order to better identify the homeless population in these areas and its needs. This assessment shall also include any recommendations the Department may have to improve the housing stability of these veterans and to strengthen community partnerships in order to achieve these goals. The Department is directed to submit a report no later than 180 days after enactment of this act detailing the assessment and the findings of the assessment.

*Supportive Services for Veteran Families and the Grant and Per Diem Program.*—Among the various programs essential to continuing the success of ending veteran homelessness, the Supportive Services for Veteran Families and the Grant and Per Diem Program, are important. These two unique programs support community-based organizations to provide critical services and transitional housing for veterans and their families. These programs provide important lifelines to veterans in need and their families. Accordingly, the Committee directs the Department to fund both of the programs at the fully authorized level.

*National Centers for Post-Traumatic Stress Disorder.*—The Committee is concerned by ongoing issues with post-traumatic stress disorder [PTSD] faced by servicemembers transitioning into civilian life after active duty service in Iraq and Afghanistan. While investments in the National Centers for Post-Traumatic Stress Disorder [NCPTSD] have successfully improved the scientific understanding of PTSD, more must be done to ensure research and treatment for PTSD continues at a level commensurate with the needs of the population accessing services through VA. The Department is directed to submit a report to the Committees on Appropriations of both Houses of Congress no later than 180 days after enactment of this act detailing how PTSD research at the NCPTSD has been used to inform care within the Department.

The Committee approves of the operational progress in the establishment of the Brain Bank, a valuable resource in PTSD research headquartered at the National Center's Executive Division. Additionally, the Rural Veterans with PTSD Outreach Program ensures access to care for underserved veterans in rural communities by offering consultation services to non-VA providers. The Committee directs NCPTSD be funded at no less than \$19,000,000, as outlined in the budget request. Additionally, in order to ensure NCPTSD is appropriately staffed, the Department is directed to report to the

Committees on Appropriations of both Houses of Congress no later than 180 days after enactment of this act on the current and projected staffing levels, including those for the Brain Bank and rural outreach program, to ensure VA continues to advance the research, education, and training in the science, diagnosis, and treatment of PTSD.

*Nursing Handbook.*—The Committee understands the VHA Nursing Handbook is currently under review. The Committee encourages VHA to seek input from internal VA program offices and external professional stakeholders prior to possible regulatory action and submission to the Under Secretary for Health for final approval. The Committee believes all possible outreach efforts should be used to communicate the proposed changes, to gather public comment, and to collaborate with Congress, stakeholders, VA nursing staff, and external organizations. The Committee requests VHA ensure changes to its handbooks do not conflict with other handbooks already in place within VHA.

*Department of Veterans Affairs and Department of Defense Formularies.*—In order to ensure continuity of care and to better understand where gaps exist in terms of medications used to treat behavioral health conditions, the Secretary of Veterans Affairs, in consultation with the Secretary of Defense, shall conduct a comprehensive assessment of VA and DOD's formularies. The results of this review shall be used to develop a plan to rectify any gaps identified. The Department is directed to submit a report to the Committees on Appropriations of both Houses of Congress no later than 180 days after enactment of this act detailing the results of the review.

*Orthotics and Prosthetics Workforce.*—The Committee is concerned about the sustainability of the orthotics and prosthetics workforce treating veterans, particularly given an aging workforce with imminent retirements as well as a lack of availability of advanced degree programs necessary to train new professionals. Reports indicate up to 20 percent of the field's 7,100 clinicians nationwide are either past retirement age or within 5 years of retiring. The Committee recognizes the contributions made by VHA's Orthotic and Prosthetic Residency Program to provide rotation opportunities through the VA system but acknowledges this program alone is inadequate to ensure a sustainable workforce for the future, especially in light of the skill set necessary to provide the increasingly complex, state-of-the-art orthotics and prosthetics care for OEF/OIF veterans. The Committee directs VHA to explore cost effective opportunities to grow the workforce pipeline in order to ensure a future orthotic and prosthetic workforce necessary for the Nation's new generation of veterans. The Department is directed to submit a report to the Committees on Appropriations of both Houses of Congress no later than 180 days after enactment of this act detailing its findings.

*Hepatitis B.*—The Committee is aware hepatitis B, if left untreated, may lead to advanced liver disease, liver cancer, and the need for liver transplants, placing a greater financial burden on the veterans healthcare system. Given the high rates of viral hepatitis infections among Vietnam Era veterans, the Committee urges an aggressive and targeted outreach program consistent with CDC's

viral hepatitis testing and treatment recommendations to identify veterans with Hepatitis B and to facilitate and encourage treatment for those identified with the disease.

*Home and Community Based Services.*—The Committee supports the Department's efforts to broaden veterans' options regarding long-term care support and services. The Committee notes the positive results of pilot programs such as the Veterans Independence Program, a veterans-directed Home and Community Based Services [HCBS] grant program administered jointly by VA and the Department of Health and Human Services [HHS]. The Committee encourages enhanced cooperation with HHS to expand and grow these programs. The Department is directed to submit a report to the Committees on Appropriations of both Houses of Congress no later than 180 days after enactment of this act on the cost avoidance associated with these various non-institutional care programs. The report should include information on the demand for HCBS among the veteran population, the number of veterans currently being served by HCBS, and the Department's plans to expand the size and scope of HCBS. Given the success of current HCBS pilot programs, the Department should include an economic analysis of the cost-effectiveness of growing the existing pilot programs prior to national expansion to leverage coordination with HHS. The report should also detail the Department's efforts to coordinate with HHS on HCBS in future years. Given mandatory eligibility for certain types of care is associated with disability levels adjudicated by VBA, this report should offer some strategies for streamlining the claims process for veterans requiring long-term care.

*Veteran Suicide.*—The Committee remains concerned about the alarming prevalence of suicide among veterans. The Department is directed to submit a report no later than 180 days from enactment of this act and each year thereafter to the Committees on Appropriations of both Houses of Congress on the number of veterans enrolled in the VA system who commit suicide, the factors which contribute to the rate of suicide among veterans, the method used by veterans to commit suicide, efforts by mental health professionals and others to prevent suicide, and any pertinent recommendations for legislative changes which would assist in addressing this problem.

*Mental and Behavioral Health Providers.*—In 2006, Congress authorized the employment of licensed professional mental health counselors [LPMHC] and marriage and family therapists [MFT] by VA. However, the two professions comprise less than 1 percent of the VA behavioral health workforce despite representing 40 percent of the overall independent practice behavioral health workforce in the United States. As part of the Veterans Access, Choice, and Accountability Act of 2014 and the Clay Hunt Suicide Prevention Act of 2015, VA has the ability to recruit and hire additional behavioral healthcare providers to serve veterans suffering from invisible wounds of war. The Committee notes VA has made progress with hiring providers in this field, however, LPMHC and MFT professionals remain under represented. The Department is directed to report to the Committees on Appropriations of both Houses of Congress no later than 180 days after enactment of this act on the status of hiring additional LPMHC and MFT professionals and detail-

ing how many are currently enrolled and planned to be enrolled in VA's mental health professionals trainee program. The report should explain the eligibility criteria for LPMHC and MFT professionals as compared to other behavioral health professions, and the VA objectives, goals, and timing associated with increasing LPMHC and MFT representation in the behavioral health workforce.

*Recruitment and Retention of Mental Health Providers.*—The Committee notes persistent issues for VA health facilities in recruiting and retaining mental health providers in the face of national provider shortages and a highly competitive environment. Among different mental health provider types, the highest national vacancy rate was in psychiatry with 14.2 percent of positions unfilled. The Committee encourages the Department to consider the expanded use of physician assistants [PAs] specializing in psychiatric care to address the mental health provider gap. PAs provide high quality, cost-effective medical care and are held to the same standard of healthcare deliver as their physician colleagues. Furthermore, the Department is directed to review and report to Congress a plan to improve recruitment and retention initiatives for PAs, including consideration of including PAs in the Locality Pay System, implementing recruitment and retention tools targeting the Education Debt Reduction Program [EDRP] and the Employee Incentive Scholarship Program [EISP] to consistently include PAs, mandating that VHA list all midlevel provider positions for both PAs and Nurse Practitioners, maximizing the authority and instructions in Titles III and VIII of the Veterans Access, Choice, and Accountability Act of 2014, Public Law 113-146, to develop an optimal PA workforce.

*Locum Tenens Physicians.*—The Committee recognizes VA facilities across the nation often rely upon assistance from temporarily assigned locum tenens physicians. The Committee understands the use of locum tenens professionals at VA facilities enables a flexible staffing structure and allows responsiveness to changing patient population demands. Further, the VA's locum tenens system, in which a physician with a current license in at least one state may work in any VA facility, has been a normal staffing practice of VA for decades. The Committee urges VA, in conjunction with the Drug Enforcement Administration, to resolve any alleged regulatory issues concerning prescription drug issues for locum tenens professionals to ensure veterans have access to needed high quality local VA healthcare.

*Infectious Disease Screening.*—The Committee applauds VHA for developing electronic clinical reminders for recommended HIV/AIDS and viral hepatitis screenings and urges VHA to implement these reminders in appropriate settings. To further improve screening rates, the Committee urges VHA to offer support to VISNs to implement recommended screening, including innovative strategies like point-of-care testing.

*Functional Gastrointestinal Disorders and Gulf War Illness.*—The Committee is pleased with the Department's plan to address Gulf War Illness, including how it relates to functional gastrointestinal disorders. The Department is directed to submit a report to the Committees on Appropriations of both Houses of Congress

no later than 180 days after enactment of this act detailing the progress made in implementing this plan.

*Guide Dogs and Other Service Animals.*—The Committee recognizes the importance of guide dogs and other service animals to veterans and encourages the Department to ensure veterans receiving VA medical care are not prohibited from bringing a covered service dog or other service animal into a medical facility of the Department, including with respect to staying overnight. The Department may prescribe regulations to ensure the safety and health of employees of the Department, patients, and the public, including by requiring a patient maintain responsibility for the covered service dog or other service animal.

*The Clay Hunt SAV Act.*—The Committee urges the Department to implement the pilot program on community outreach established in the Clay Hunt SAV Act, Public Law 114–2. The pilot program requires no less than five Veterans Integrated Service Networks [VISN] that have a large population of veterans to include: (1) a community oriented veteran peer support network carried out in partnership with an entity that has experience in peer support programs, and (2) a community outreach team for each medical center in each VISN. The Department is directed to submit a report to the Committees on Appropriations of both Houses of Congress no later than 180 days enactment of this act detailing these efforts.

*Opioid Safety Initiative.*—To help address the prescription drug abuse and overdose epidemic, the Committee directs VA, in consultation with the Department of Defense [DOD], to update the Clinical Practice Guideline [CPG] for the Management of Opioid Therapy [OT] for Chronic Pain and adopt the safe opioid prescribing guidelines for chronic, non-cancer pain in outpatient settings developed by the Centers for Disease Control and Prevention [CDC]. Upon release of CDC's safe opioid prescribing guidelines in fiscal year 2016, the Department is instructed to include such guidelines and release an updated CPG for the management of OT no later than December 31, 2016.

The Committee fully supports the Department's efforts to reduce the use of opioids to treat pain, including the Opioid Safety Initiative [OSI] and the Opioid Therapy Risk Report tool. However, to help reduce rates of opioid addiction and fatal overdose, it is critical that real-time data is available at the individual prescriber and pharmacist level as well as the pharmacy management level to prevent inappropriate prescribing before it occurs. The Committee directs VHA in coordination with the Office of Information Technology to develop and deploy mechanisms for including real-time patient information on existing opioid prescriptions within VHA as well as patient controlled substances prescription information in the state prescription drug monitoring program. Such mechanisms should also alert a provider or pharmacist in real-time that an opioid or benzodiazepine prescription would be inappropriate and protect against "double-prescribing" when an in-patient continues to receive take-home opioid prescriptions despite being treated with opioids at a VA facility. The Committee further directs VHA to submit information on controlled substance prescriptions to state prescription drug monitoring programs.

In addition, to ensure VA providers are not prescribing opioids for mental health treatment, compliant with joint VA–DOD Clinical Practice Guidelines and to improve the DOD–VA transition, the Committee directs VA, in consultation with DOD, to establish within the DOD–VA Joint Executive Council [JEC] a working group focused on patient pain management and opioid therapy. This working group should build on the work of existing relevant working groups, including those on Evidence Based Guidelines, Mental Health, Patient Safety, and Pharmacy, and cover, at minimum, opioid prescribing practices, acute and chronic pain management, complementary and integrative health, and the concurrent use of opioids and prescription drugs used to treat mental health issues, including benzodiazepines.

Further, it is critical all VA medical facilities have the resources, necessary equipment, and supplies to help reduce the number of opioid-related overdose deaths and adverse events. As such, the Committee instructs VA to ensure all VA medical facilities are equipped with approved opioid receptor antagonists, such as naloxone, an opioid antagonist that reverses the effects of opioids, including respiratory depression, within 90 days of enactment of this act. The Committee urges VA to further ensure providers and pharmacists at every medical facility receive updated education on the use of approved opioid receptor antagonists, such as naloxone and other overdose death prevention strategies. The Committee fully supports VA's Overdose Education and Naloxone Distribution [OEND] program which distributes naloxone take-home kit prescriptions to at-risk patients and provides training on the proper naloxone administration technique and how to prevent, recognize, and respond to an opioid overdose. In recognition of the program's initial success, the Committee encourages VA to accelerate and expand the OEND program to ensure all patients at-risk for opioid overdose have access to a naloxone kit.

Lastly, to strengthen oversight, the Committee directs the Government Accountability Office, in consultation with VA, to report to Congress on the effectiveness of the VA Opioid Safety Initiative and overall opioid prescribing practices throughout the VA system. This report shall include recommendations on improvements to the Opioid Safety Initiative, deaths involving veterans prescribed opioids, overall opioid prescription rates, and indications at all VA facilities, including facilities and prescribers that are among the top 10 percent in the nation regarding the percent of their patient population receiving opioids, and the average dose per patient. In addition, the report shall note the use of benzodiazepines and opioid concomitantly and their prescription rates and indications along with facilities and prescribers that are among the top 10 percent in the nation regarding the percent of their patient population receiving opioids and the average dose per patient.

*Caregivers.*—The Committee notes the robust usage of the post-9/11 Caregiver program with its more than 20,000 approved applications, as well as the consistent positive reviews by caregiver families stating the program's stipend, respite care, formal training, and support structure as critical components of its success. Given the demonstrated success of the program, the Committee encourages VA to ensure caregiver coordinators at each VA medical cen-



ter are fully resourced and, to the maximum extent possible, assigned designated caregiver duties as their chief and only responsibility. In addition, the Committee encourages VA to examine expansion of the program beyond the post-9/11 population. Noting the conclusions of the recent RAND Military Caregivers Study indicating the significant hardship borne by those caring for military personnel prior to separation, the Committee encourages the Department to engage in a lessons-learned dialogue with DOD in order to share best practices. The Committee recognizes many caregivers for severely wounded veterans are working dramatically reduced hours outside the home or have left the workforce completely, leading to financial hardship. This reduction in outside earnings results in difficulties meeting financial obligations, including student loan debt held by the caregiver. The Committee directs VA to survey all caregivers currently in the program to identify the number possessing outstanding student loan debt and develop a plan to monitor this issue, including future data collection. The Department is directed to provide a report to the Committees on Appropriations of both Houses of Congress no later than 180 days after enactment of this act and every 6 months thereafter detailing its plan and the survey findings.

*Pain Management Boards.*—In an effort to reduce the use of opioids for chronic pain and increase the use of complementary and alternative medicine, the Committee encourages VHA to establish Pain Management Boards [the Boards] within each Veterans Integrated Service Network [VISN]. The Boards should be comprised of healthcare professionals and clinical patients and/or family members of a clinical patient. The Boards would serve as a resource for the region's facilities, patients, and family members; provide best practices recommendations for pain management to VA facilities within its region, including patient, family member, and medical perspectives; and, provide an annual report to the Secretary of Veterans Affairs about pain management practices within its region, which would then be sent to Congress. The Department is directed to report to the Committees on Appropriations of both Houses of Congress no later than 180 days after enactment of this act on the feasibility of establishing such Boards.

*Fertility Treatment.*—The nature of the current military conflict and increasing use of improvised explosive devices has left some servicemembers with blast injuries that include spinal cord injury and trauma to the reproductive and urinary tracts. The Committee is concerned about the care and level of services provided for these injured servicemembers after they return home, and notes currently there is not parity between DOD and VA treatment of servicemembers with these injuries. The Committee directs VA to provide a report to the Committees on Appropriations of both Houses of Congress no later than 180 days after enactment of this act detailing the scope and the extent of veterans facing infertility issues due to service connected injuries suffered during Operation Iraqi Freedom [OIF] and Operation Enduring Freedom [OEF].

*Fee-Based Medical Care.*—The Committee is aware VA has several mechanisms to provide medical care to veterans outside of the VA healthcare system. As noted in a May 11, 2015, Congressional Research Service [CRS] analysis, "Implementation of the Veterans

Choice Program [VCP],” these programs fall into three broad categories—contracts to purchase care, non-contracted medical care purchased on a fee-for-service basis from area providers, and emergency care when required. CRS estimates VA spent approximately \$7 billion in 2014, prior to enactment of the Veterans Choice Program, for fee-based medical care. As CRS noted, VA’s existing fee-based care programs were developed at various times in response to specific requirements, resulting in overlapping and sometimes contradictory eligibility requirements. The Committee is concerned over the apparent lack of coordination among the use of these programs and the potential for funding imbalances which could lead to shortfalls in some programs and surpluses in others. The Department is directed to submit a report to the Committees on Appropriations of both Houses of Congress within 60 days of enactment of this act providing (1) a description of each of the existing statutory authorities and programs, including the Veterans Choice Act, through which VA can provide medical care to veterans outside of the VA health care system; (2) an explanation of the reimbursement rate to providers for each of the programs; (3) the amount of funding projected to be required for each of the programs funded under the Department’s discretionary budget authority for fiscal years 2015 through 2017; (4) the amount of funds expended in each of the programs, excluding the Veterans Choice Act, in fiscal years 2013 and 2014; and (5) a plan establishing a policy to coordinate the administration and use of all of the Department’s fee-based care authorities.

MEDICAL SUPPORT AND COMPLIANCE

Appropriations, 2015 .....	\$5,879,700,000
Advance appropriations, 2016 .....	6,144,000,000
Budget estimate, 2016 .....	69,961,000
House allowance, 2016 .....	
Committee recommendation, 2016 .....	
Budget estimate, advance appropriation, 2017 .....	6,524,000,000
House allowance, advance appropriation, 2017 .....	6,524,000,000
Committee recommendation, advance appropriation, 2017 .....	6,524,000,000

PROGRAM DESCRIPTION

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 2016 and 2017 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 2015, the Committee provided an advance appropriation of \$6,144,000,000 for fiscal year 2016 for the Medical Support and Compliance account. The Committee recommendation includes an advance appropriation of \$6,524,000,000 for Medical support and compliance for fiscal year 2017.

MEDICAL FACILITIES

Appropriations, 2015 .....	\$4,739,000,000
Advance appropriations, 2016 .....	4,915,000,000
Budget estimate, 2016 .....	105,132,000
House allowance, 2016 .....	
Committee recommendation, 2016 .....	
Budget estimate, advance appropriation, 2017 .....	5,074,000,000
House allowance, advance appropriation, 2017 .....	5,074,000,000
Committee recommendation, advance appropriation, 2017 .....	5,074,000,000

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 2015, the Committee provided an advance appropriation of \$4,915,000,000 for fiscal year 2016 for the Medical Facilities account. The Committee recommendation includes an advance appropriation of \$5,074,000,000 for Medical facilities for fiscal year 2017.

MEDICAL AND PROSTHETIC RESEARCH

Appropriations, 2015 .....	\$588,922,000
Budget estimate, 2016 .....	621,813,000
House allowance .....	621,813,000
Committee recommendation .....	621,813,000

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 \$621,813,000 for the Medical and Prosthetic Research account. This is \$32,891,000 above the fiscal year 2015 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, 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. The Committee encourages VA to continue its research into developing novel approaches to restoring veterans with amputation, central nervous system injuries, loss of sight or hearing, or other physical and cognitive impairments to full and productive lives.

*Toxic Exposures.*—The Committee wants to ensure VA is actively researching the residual impact to veterans of Agent Orange and other toxic exposures, such as oil well fires and burn pits. The Department is directed to submit a report to the Committees on Appropriations of both Houses of Congress no later than 180 days after enactment of this act detailing ongoing activities and future plans for research into residual exposure to Agent Orange and other toxins.

*Health Conditions of Descendants.*—The Committee believes research and evidence is deficient regarding the potential connection of health conditions of descendants of veterans who were exposed to toxic substances during their service in the Armed Services—such as Agent Orange in Vietnam, Gulf War neurotoxins, burn pits in Iraq, and other chemicals from conflicts or contingencies overseas. Many of the symptoms from toxic exposure are misdiagnosed in descendants of veterans because of a lack of understanding and scientific proof. Veterans have observed increased levels of cancers, birth defects, and other medical conditions in their subsequent generations. The evidence of health conditions in the progeny of service members who were exposed to toxic substances is mounting, and the Committee believes research is warranted to collect data and study this paradigm.

*Respiratory Illnesses.*—The Department is directed to submit a report to the Committees on Appropriations of both Houses of Congress no later than 180 days after enactment of this act on the current status and findings of the Airborne Hazards and Open Burn Pit Registry, as well as information on other research and development activities the Department is conducting to explore the potential health risks of environmental exposures in Iraq and Afghanistan, particularly as they relate to respiratory illnesses such as chronic cough, chronic obstructive pulmonary disease, constrictive bronchiolitis, and pulmonary fibrosis. The Department should include any research and surveillance efforts that evaluate the current incidence and prevalence of respiratory illnesses among service members and veterans.

*Assistive Technology.*—Whether because of age or injury, the Committee is aware veterans have a need for accessible, dependable, and affordable tools to overcome barriers to engagement, employment, and independent living. The continued development of

3D printing and other technological advances has the potential to make development and adaptation of devices faster and more affordable. The Department is urged to begin a pilot program to develop a more innovative and end-user friendly design-to-delivery process for assistive technology. In this effort, VA should work with research institutions with a multi-disciplinary approach that includes rehabilitation specialists, industrial designers, computer engineers, clinical specialists, and disability-specific support organizations.

MEDICAL CARE COST RECOVERY COLLECTIONS

MEDICAL CARE COLLECTION FUND

Appropriations, 2015 .....	\$2,456,000,000
Budget estimate, 2016 .....	2,445,000,000
House allowance .....	2,445,000,000
Committee recommendation .....	2,445,000,000

MEDICAL CARE COLLECTION FUND—REVENUES APPLIED

Appropriations, 2015 .....	-\$2,456,000,000
Budget estimate, 2016 .....	-2,445,000,000
House allowance .....	-2,445,000,000
Committee recommendation .....	-2,445,000,000

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 \$2,445,000,000 in fiscal year 2016.

*Third Party Billing.*—The Committee again notes the large amount of third party health billings that go uncollected each year. The Committee believes procedures to provide for correct billing and prompt collection must improve at VA. Therefore, the Department is directed to submit a report to the Committees on Appropriations of both Houses of Congress no later than 180 days after the enactment of this act identifying the amount of third party health billings owed to VA in fiscal year 2015 and the amount collected. Additionally, the report should include current efforts underway to increase VA's efficiency, accuracy, and collection process, as well as what management practices are in place to provide proper oversight of the billing process so as to eliminate unnecessary and duplicative functions.

*Third Party Fee Collection.*—The Committee is concerned about the resulting loss of collections from third party insurers for non-service connected care as veterans receive more care at non-VA facilities. Purchased care has grown from \$3 billion in fiscal year 2008 to \$7 billion in fiscal year 2014. The level of fee-based care is expected to continue to increase. In 2011, OIG identified shortcomings in the Department's non-VA fee care processes and estimated \$110 million annually in third party payments were not being recouped. Since that time, action plans implemented by VA have not produced a material improvement in non-VA fee care collections, and the identified shortcomings still exist. The Committee believes a comprehensive solution to the non-VA fee care issue is

necessary to realize full collection potential and create structure that can best accommodate recent and future non-VA fee care growth. The Department is directed to initiate within 90 days after the enactment of this act a pilot program in one Veteran Integrated Service Network [VISN] that shall last 18 months. The Department shall choose through a fair and open competition a non-government entity with substantial private sector revenue cycle management experience to conduct the pilot. The objective of such a pilot is to review and report current state business processes, the impacts of the Veterans Access, Choice and Accountability Act of 2014 (Public Law 113-146), and implement improvements necessary to identify and execute actions to correct current gaps in non-VA care fee collection. The pilot shall further demonstrate a business case analysis focused on process standardization, staff education and training, and consistent system applications throughout the VISN health system that may result in an increase in reimbursement to VA from non-VA fee care. The business case shall provide recommendations in the following areas: improved tracking of patient information, increased collections to increase revenue, improving tracking of unbilled claims to the private sector, operations efficiencies within non-VA care, and the tracking and continuity of care. At the conclusion of the pilot, VA shall report to the Committees on Appropriations of both Houses of Congress the financial and operational results of the pilot along with a plan for expanding the improvements beyond the pilot and shall include a point-of-view on consolidating non-VA care insurance identification, billing, and collection activities within VISNs or regions.

NATIONAL CEMETERY ADMINISTRATION

Appropriations, 2015 .....	\$256,800,000
Budget estimate, 2016 .....	266,220,000
House allowance .....	266,220,000
Committee recommendation .....	266,220,000

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.

*Policies Regarding Headstones and Markers for Deceased Veterans.*—The Committee is aware the Department furnishes headstones and markers for the graves of eligible veterans in any cemetery in the world. This benefit ensures veterans are remembered for their dedicated sacrifices to the country. The Department must ensure its policies adequately address deceased veterans who lack next-of-kin to request this benefit on their behalf. The NCA is directed to submit a report to the Committees on Appropriations of

both Houses of Congress no later than 180 days after enactment of this act detailing current policies and procedures regarding this issue and highlighting any problems in ensuring eligible veterans receive appropriate headstones and markers.

COMMITTEE RECOMMENDATION

The Committee recommends \$266,220,000 for the National Cemetery Administration. This is an increase of \$9,420,000 above the fiscal year 2015 enacted level and equal to the budget request.

The Committee has included bill language to make available through September 30, 2017, up to \$26,600,000 of the National Cemetery Administration appropriation.

DEPARTMENTAL ADMINISTRATION

Appropriations, 2015 .....	\$8,177,894,000
Budget estimate, 2016 .....	9,087,406,000
House allowance .....	8,401,906,000
Committee recommendation .....	8,911,482,000

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 \$8,911,482,000 for Departmental Administration. The amount is composed of \$321,591,000 for General administration; \$107,884,000 for the Board of Veterans Appeals; \$2,697,734,000 for General operating expenses, veterans benefits administration; \$4,106,363,000 for Information technology systems; \$126,766,000 for the Office of the Inspector General; \$1,027,064,000 for Construction, major projects; \$378,080,000 for Construction, minor projects; \$100,000,000 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, 2015 .....	\$321,591,000
Budget estimate, 2016 .....	346,659,000
House allowance .....	324,959,000
Committee recommendation .....	321,591,000

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 \$321,591,000 for General Administration. This amount is equal to the fiscal year 2015 enacted level



and \$25,068,000 below the budget request. The Committee has included bill language to make available through September 30, 2017, up to \$12,141,000 for General Administration.

*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 Department is directed to provide a report to the Committees on Appropriations of both Houses of Congress no later than 180 days after enactment of this act detailing the Franchise Fund business plan for fiscal year 2016. This plan should include a list of services, customers, overhead expenses, funds collected for services, and the unobligated balance from the previous fiscal year.

BOARD OF VETERANS APPEALS

Appropriations, 2015 .....	\$99,294,000
Budget estimate, 2016 .....	107,884,000
House allowance .....	109,884,000
Committee recommendation .....	107,884,000

PROGRAM DESCRIPTION

As set forth in section 7101(a) of title 38 United States Code, the Board of Veterans Appeals is responsible for making final decisions on claims for veterans benefits presented to the Board for appellate review. The vast majority of the Board's workload derives from benefit claims initiated by the Veterans Benefits Administration's Regional Offices. The appellate process has multiple steps, most of which occur at the local Regional Office level. If a veteran is not satisfied with the Regional Office determination, he or she may appeal to the Board for a final agency decision. The Board adjudicates appeals covering all areas of veterans benefits, including: service connection, increased disability ratings, total disability ratings, pensions, insurance benefits, educational benefits, home loan guaranties, vocational rehabilitation, waivers of indebtedness, fee basis medical care, and dependency and indemnity compensation.

COMMITTEE RECOMMENDATION

The Committee recommends \$107,884,000 for the Board of Veterans Appeals, which is \$8,590,000 above fiscal year 2015 enacted level and equal to the budget request.

GENERAL OPERATING EXPENSES, VETERANS BENEFITS  
ADMINISTRATION

Appropriations, 2015 .....	\$2,534,254,000
Budget estimate, 2016 .....	2,697,734,000
House allowance .....	2,702,734,000
Committee recommendation .....	2,697,734,000

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 \$2,697,734,000 for General Operating Expenses, Veterans Benefits Administration, which is \$163,480,000 above fiscal year 2015 enacted level and equal to the budget request. The Committee has included bill language to make available through September 30, 2017, up to \$134,800,000 for General Operating Expenses, Veterans Benefits Administration.

*Claims Processing.*—The Committee recommendation fully funds the Department's request for the General Operating Expenses, Veterans Benefits Administration account. The Committee notes that within the \$163,480,000 increase over fiscal year 2015 the Department plans to hire 770 new personnel aimed at bolstering efforts to improve all aspects of the claims process. Over the past several years, VBA has focused on reducing the overall claims backlog for new and supplemental claims. While the Department has made significant improvement, the Committee believes VBA must guard against recurring backlogs and begin addressing the timeliness of the appellate process. The Committee fully supports the Department's request for 200 new appeals processors, 320 non-rating claims processors, 85 fiduciary field examiners, and 165 support personnel. To ensure each Regional Office is appropriately staffed, the Department is directed to submit a report to the Committees on Appropriations of both Houses of Congress on current and future staffing levels for each Regional Office. Further, the Committee believes proper management oversight should be in place within each Regional Office. Therefore, the Department shall include in the report plans to ensure Regional Offices, particularly those with 100 or more employees, have on-site directors. In addition, the Secretary of Veterans Affairs shall refresh the VA Strategic Plan to Transform the Appeal Process. This strategic plan should include the requirements outlined in Senate Report 113-48 that was referenced by the Joint Explanatory Statement that accompanied Public Law 113-235, the Consolidated and Further Continuing Appropriations Act of 2015, and shall include a description, to include objective measurements and performance results, of the appeals modernization initiative, which is designed to speed the processing of appeals and improve the accuracy of decisions. Further, in addition to initiatives that lead to improved employee performance, the strategic plan shall also outline possible administrative reforms of the policies and procedures governing the adjudication of appeals, which may lead to more timely and accurate decisions including an estimate of the anticipated gains in efficiency (improved timeliness and accuracy) as a result of such administrative reform. The Secretary shall submit this report to Congress no later than 90 days after enactment of this act.

The Committee continues to believe quality cannot be sacrificed in the pursuit of eliminating the claims backlog. As such, the Department must continue the efforts of the Quality Review Teams [QRT] in assessing the performance of claims processing operations and bridging the gap between local and national standards. It is critical QRTs perform follow-up spot audits in Regional Offices that have undergone challenge training to ensure quality standards are being met. Additionally, VA must ensure all training programs for

claims processors are routinely followed up with testing and monitoring at regular intervals.

In order to continue to provide better oversight of quality reviews and training, bill language is included requiring the Department submit quarterly reports which shall include the number and results of QRT review audits conducted, corrective actions taken to address quality deficiencies, and training programs provided. The Committee will utilize this material to assess whether VA's quality control and training programs are adequate to ensure both timeliness and accuracy in the claims process.

In addition to the quarterly reports, the Committee directs the Department to provide monthly reports to the Committees on Appropriations of both Houses of Congress on performance measures for each Regional Office, including the number of backlogged claims, the average number of days to complete a claim, the accuracy rate, and the origination date of the oldest claim in each Regional Office's inventory. The report may be submitted electronically and in spreadsheet format. Each report is due no later than 10 calendar days after the last calendar day of the previous month, and that report shall reflect the previous month's data. The first report shall be submitted to the Committees on Appropriations of both Houses of Congress no later than 10 days after the first full month of enactment of this act and continue for the remainder of fiscal year 2016.

*Fully Developed Claims.*—The Committee is concerned when the Department's authority to issue retroactive effective dates for disability compensation claims that are fully developed expires on August 6, 2015, the progress in reducing the claims backlog via the Fully Developed Claims program will be reversed. VA's goal of processing all claims within 125 days with 98 percent accuracy in 2015 has not yet been reached. The Committee strongly supports VA's Fully Developed Claims program and urges VA to continue utilizing the program. Additionally, for original disability compensation claims filed via the Fully Developed Claim program, the Committee urges the VA to award provisional benefits to claimants if VA fails to issue a final decision within 180 days.

INFORMATION TECHNOLOGY SYSTEMS

Appropriations, 2015 .....	\$3,903,344,000
Budget estimate, 2016 .....	4,133,363,000
House allowance .....	4,039,563,000
Committee recommendation .....	4,106,363,000

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 \$4,106,363,000 for the Information Technology Systems account. This amount is \$203,019,000 above the fiscal year 2015 enacted level and \$27,000,000 below the budget request. The Committee recommendation includes \$1,115,757,000 for staff salaries and expenses, \$2,512,863,000 for operation and maintenance of existing programs, and \$477,743,000 for program development. Additionally, the Committee directs a transfer of \$27,000,000 from MCCF to project development for development of the Medical Care Collections Fund electronic data exchange provider and payer system.

The Committee has appropriated the Information Technology Systems account as three subaccounts. This funding structure enhances the Committee's ability to ensure 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 the IT projects currently underway, as well as the projects planned for the future, have the resources needed for success.

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 2016 budget request	Committee recommendation
Access to Healthcare .....	28,970	28,970
Healthcare Efficiency IT Development .....	6,660	6,660
Electronic Health Record [EHR] Interoperability and VLER Health .....	25,000	25,000
Vista Evolution .....	81,900	81,900
New Models of Care .....	25,430	25,430
Veterans Benefits Management System [VBMS] .....	86,000	86,000
Virtual Lifetime Electronic Record [VLER] .....	10,000	10,000
Veterans Relationship Management [VRM] .....	73,333	73,333
VHA Research IT Support Development .....	12,250	12,250
Other IT Systems Development .....	155,200	* 128,200
<b>Total Development .....</b>	<b>504,743</b>	<b>477,743</b>

\* The Committee directs a transfer to "Other IT System Development" of \$27,000,000 to provide for the development of the MCCF electronic data exchange provider and payer system (sec. 215).