



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

April 28, 2015
(House Rules)

STATEMENT OF ADMINISTRATION POLICY
H.R. 2029 – Military Construction and Veterans Affairs, and Related Agencies
Appropriations Act, 2016
(Rep. Rogers, R-KY)

The Administration strongly opposes House passage of H.R. 2029, 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. The bill fails to fully fund critical priorities, including veterans' medical care and military and VA construction. Furthermore, the legislation includes a highly problematic ideological rider that would constrain the President's ability to protect our national security. If the President were presented with H.R. 2029, his senior advisors would recommend that he veto the bill.

Moreover, enacting H.R. 2029 while adhering to the congressional Republican budget's overall spending limits for fiscal year (FY) 2016 would hurt our economy and shortchange investments in middle-class priorities. Sequestration was never intended to take effect: rather, it was supposed to threaten such drastic cuts to both defense and non-defense funding that policymakers would be motivated to come to the table and reduce the deficit through smart, balanced reforms. The Republican framework would bring base discretionary funding for both defense and non-defense for FY 2016 to the lowest real levels in a decade. Compared to the President's Budget, the cuts would result in tens of thousands of the Nation's most vulnerable children losing access to Head Start, more than two million fewer workers receiving job training and employment services, and thousands fewer scientific and medical research awards and grants, adversely impacting the pace of discovery and innovation, along with other impacts that would hurt the economy, the middle class, and Americans working hard to reach the middle class.

Maintaining sequestration would also negatively impact programs that provide important services to our Nation's veterans and are funded in appropriations bills where House Republicans propose to make even deeper cuts relative to the President's Budget than in H.R. 2029. For example, American Job Centers serve 1.2 million veterans annually, including 300,000 who receive intensive employment services. Transition assistance provides 200,000 service members each year with employment guidance and information as they prepare to enter the civilian workforce. And hundreds of thousands of veterans rely on a wide range of Department of Housing and Urban Development programs for housing support and homeless assistance each year.

Sequestration levels would also put our national security at unnecessary risk, not only through pressures on defense spending, but also through pressures on State, USAID, Homeland Security, and other non-defense programs that help keep us safe. More broadly, the strength of our

economy and the security of our Nation are linked. That is why the President has been clear that he is not willing to lock in sequestration going forward, nor will he accept fixes to defense without also fixing non-defense.

The President's senior advisors would recommend that he veto H.R. 2029 and any other legislation that implements the current Republican budget framework, which blocks the investments we need for our economy to compete in the future. The Administration looks forward to working with the Congress to reverse sequestration for defense and non-defense priorities and to offset the cost with commonsense spending and tax expenditure cuts, as Members of Congress from both parties have urged.

The Administration would like to take this opportunity to share additional views regarding the Committee's version of the bill.

Veterans Affairs Medical Care. The Administration appreciates the Committee's support for our Nation's veterans; however, the Administration objects to the Committee's overall \$585 million reduction to the FY 2016 Veterans Affairs (VA) Medical Care request. If enacted, this reduction would negatively impact medical care services for tens of thousands of veterans and reduce VA's ability to activate new and replacement facilities with sufficient staff and equipment and to adequately maintain facility infrastructure.

Veterans Affairs Construction. The Administration objects to the Committee's \$582 million reduction to the FY 2016 VA major construction request. This reduction would prevent building upgrades and renovations, including necessary expansions to medical facilities and national cemeteries that would improve services to our veterans. The bill would significantly constrain VA's ability to make progress on its highest priority capital projects.

Other Veterans Affairs Reductions. The Administration also objects to the Committee's other reductions to the overall VA request, including \$159 million in reductions for employee awards, bonuses, and the President's proposed 1.3 percent pay raise for Federal employees. As VA attempts to enhance staffing to deliver better care to veterans, these reductions will hinder the Department's ability to recruit and retain personnel critical to the provision of benefits and services to veterans. The Administration urges the Congress to provide the proposed 1.3 percent pay increase for Federal civilian employees.

Military Construction. The Administration objects to the Committee's underfunding of military construction in the President's FY 2016 base defense budget by \$1.3 billion, which will delay or defer projects that serve critical needs for members of our Armed Forces and their families. The projects requested in the FY 2016 Budget reflect the highest priority projects for the Department of Defense, and the Administration requests full funding for each project.

Overseas Contingency Operations (OCO) Funds. The Administration strongly objects to the Committee's use of \$532 million of OCO funds intended for wars and not subject to the budget caps to pay for long-term infrastructure investments. Shifting long-term defense costs to OCO is bad budget policy and bad defense policy, since it undermines long-term planning. Moreover, the Administration has made clear that it will not accept attempts to fix defense without non-defense by using OCO as a mechanism to evade the defense budget cap.

Detainee Matters. The Administration strongly objects to section 512 of the bill, which prohibits the use of funds to construct, renovate, or expand any facility in the United States to house individuals held in the detention facility at Guantanamo Bay. This provision would constrain the flexibility that the Nation's Armed Forces and counterterrorism professionals need to best protect U.S. national security, intruding upon the Executive Branch's ability to carry out its mission.

The Administration looks forward to working with the Congress as the FY 2016 appropriations process moves forward.

* * * * *