



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

October 1, 2015  
(Senate)

**STATEMENT OF ADMINISTRATION POLICY**  
**H.R. 2029 – Military Construction and Veterans Affairs, and Related Agencies**  
**Appropriations Act, 2016**  
(Sen. Cochran, R-MS)

The Administration strongly opposes Senate 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 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.

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 nondefense and defense 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, millions fewer workers receiving job training and employment services, and drastic cuts to scientific research awards and grants, 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 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 funding 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 needed 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 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 the Nation's veterans; however the Administration objects to the Committee's overall \$470 million reduction to the FY 2016 Budget request for Veterans Affairs (VA) Medical Care. 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.

*Military Construction.* The Administration objects to the Committee's \$355 million reduction to military construction compared to the FY 2016 Budget request, which would 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.

*Veterans Affairs Construction.* The Administration objects to the Committee's \$117 million reduction to the FY 2016 Budget request for VA major construction. This reduction would prevent building upgrades and renovations, including necessary expansions to medical facilities and national cemeteries that would improve services to veterans. The funding level provided in the bill would constrain VA's ability to make progress on its highest priority capital projects.

*Detainee Matters.* The Administration strongly objects to section 410 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 Executive Branch needs to be able to determine the appropriate disposition of detainees, based on the facts and circumstances of each case and our national security interests.

*Digital Service Team.* The Administration appreciates that the Congress fully funded the FY 2016 Budget request for the Department of Veterans Affairs to continue support of a digital service team. This funding will support efforts to manage digital services that have the greatest impact on citizens and businesses.

### Constitutional Concerns

Several provisions in the bill raise constitutional concerns. For instance, section 113 of the bill may interfere with the President's authority as Commander-in-Chief and section 244 may constitute a bill of attainder.

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

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