

PUTTING VETERANS FUNDING FIRST ACT OF 2013

SEPTEMBER 17, 2013.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MILLER of Florida, from the Committee on Veterans' Affairs, submitted the following

R E P O R T

[To accompany H.R. 813]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 813) to amend title 38, United States Code, to provide for advance appropriations for certain discretionary accounts of the Department of Veterans Affairs, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

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AMENDMENT

The amendments are as follows:
Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Putting Veterans Funding First Act of 2013”.

SEC. 2. SCORING OF BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled “Budgetary Effects of PAYGO Legislation” for this Act, submitted for printing in the Congressional Record by the Chairman of the House Budget Committee, provided that such statement has been submitted prior to the vote on passage.

SEC. 3. ADVANCE APPROPRIATIONS FOR CERTAIN DISCRETIONARY ACCOUNTS OF THE DEPARTMENT OF VETERANS AFFAIRS.

(a) IN GENERAL.—Section 117 of title 38, United States Code, is amended—

(1) by striking “medical care accounts of the Department” each place it appears and inserting “discretionary accounts of the Department”;

(2) in subsection (c)—

(A) by striking “medical care accounts of the Veterans Health Administration, Department of Veterans Affairs account” and inserting “accounts of the Department of Veterans Affairs account”;

(B) in paragraph (1), by inserting “Veterans Health Administration,” after “(1)”;

(C) in paragraph (2), by inserting “Veterans Health Administration,” after “(2)”;

(D) in paragraph (3), by inserting “Veterans Health Administration,” after “(3)”;

(E) by adding at the end the following new paragraphs:

“(4) Veterans Health Administration, Medical and Prosthetic Research.

“(5) National Cemetery Administration.

“(6) Veterans Benefits Administration, Native American Veteran Housing Loan Program Account.

“(7) Departmental Administration, General Administration, General Operating Expenses.

“(8) Departmental Administration, General Operating Expenses, Veterans Benefits Administration.

“(9) Departmental Administration, Information Technology Systems.

“(10) Departmental Administration, Office of the Inspector General.

“(11) Departmental Administration, Construction, Major Projects.

“(12) Departmental Administration, Construction, Minor Projects.

“(13) Departmental Administration, Grants for Construction of State Extended Care Facilities.

“(14) Departmental Administration, Grants for Construction of Veterans Cemeteries.”; and

(F) in the subsection heading, by striking “MEDICAL CARE ACCOUNTS” and inserting “DISCRETIONARY ACCOUNTS”; and

(3) in the section heading, by striking “**certain medical care accounts**” and inserting “**certain discretionary accounts**”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1 of title 38, United States Code, is amended by striking the item relating to section 117 and inserting the following new item:

“117. Advance appropriations for certain discretionary accounts.”.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to fiscal year 2016 and each subsequent fiscal year.

SEC. 4. COMPTROLLER GENERAL REVIEW OF DEPARTMENT OF VETERANS AFFAIRS MEDICAL CARE BUDGET SUBMISSION.

Section 4 of the Veterans Health Care Budget Reform and Transparency Act of 2009 (Public Law 111–81; 38 U.S.C. 117 note) is amended to read as follows:

“SEC. 4. COMPTROLLER GENERAL REVIEW OF DEPARTMENT OF VETERANS AFFAIRS MEDICAL CARE BUDGET SUBMISSION.

“(a) REVIEW OF BUDGET SUBMISSION; REPORTS.—For each of fiscal years 2015, 2016, and 2017, the Comptroller General of the United States shall—

“(1) review the budget requests for the medical care accounts of the Department of Veterans Affairs in the President’s budget request submitted pursuant to section 1105 of title 31, United States Code; and

“(2) submit to the Committees on Veterans’ Affairs, Appropriations, and the Budget of the Senate and House of Representatives a report or reports on the results of each such review.

“(b) TIMING AND SCOPE OF REPORTS.—In determining the timing and scope for the submittal of the report or reports required under subsection (a), the Comptroller General shall consult with the Committees on Veterans’ Affairs of the Senate and House of Representatives.

“(c) MEDICAL CARE ACCOUNTS.—In this section, the term ‘medical care accounts of the Department of Veterans Affairs’ means the following medical care accounts of the Veterans Health Administration, Department of Veterans Affairs account:

“(1) Medical Services.

“(2) Medical Support and Compliance.

“(3) Medical Facilities.”.

SEC. 5. DEPARTMENT OF VETERANS AFFAIRS BUDGET PLANNING REFORM.

(a) FUTURE-YEARS VETERANS PROGRAM.—

(1) IN GENERAL.—Chapter 1 of title 38, United States Code, is amended by adding at the end the following new section:

“§ 119. Future-Years Veterans Program

“(a) SUBMISSION TO CONGRESS.—The Secretary shall submit to Congress each year, at or about the time that the President’s budget is submitted to Congress pursuant to section 1105(a) of title 31, a Future-Years Veterans Program reflecting the estimated expenditures and proposed appropriations included in that budget. Any such Future-Years Veterans Program shall cover the fiscal year with respect to which the budget is submitted and at least the four succeeding fiscal years.

“(b) CONSISTENCY.—(1) The Secretary shall ensure that amounts described in subparagraph (A) of paragraph (2) for any fiscal year are consistent with amounts described in subparagraph (B) of such paragraph for that fiscal year.

“(2) Amounts referred to in paragraph (1) are the following:

“(A) The amounts specified in program and budget information submitted to Congress by the Secretary in support of expenditure estimates and proposed appropriations in the budget submitted to Congress by the President under section 1105(a) of title 31 for any fiscal year, as shown in the Future-Years Veterans Program submitted pursuant to subsection (a).

“(B) The total amounts of estimated expenditures and proposed appropriations necessary to support the programs, projects, and activities of the Department of Veterans Affairs included pursuant to paragraph (5) of section 1105(a) of title 31 in the budget submitted to Congress under that section for any fiscal year.

“(c) CONTENTS.—The Future-Years Veterans Program under subsection (a) shall set forth the five-year plan of the Department to address the commitment of the United States to veterans and the resources necessary to meet that commitment and shall be developed and updated, as appropriate, annually by the Secretary. Each Future-Years Veterans Program shall include an explanation of—

“(1) the information that was used to develop program planning guidance for the Future-Years Veterans Program; and

“(2) how the resource allocations included in the Future-Years Veterans Program correlate to such five-year strategy.”.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 118 the following new item:

“119. Future-Years Veterans Program.”.

(3) EFFECTIVE DATE.—Section 119 of title 38, United States Code, as added by paragraph (1), shall apply with respect to the preparation and submission of the fiscal year 2018 budget request for the Department of Veterans Affairs.

(b) QUADRENNIAL VETERANS REVIEW.—

(1) IN GENERAL.—Such chapter is further amended by adding after section 119, as added by subsection (a)(1), the following new section:

“§ 120. Quadrennial veterans review

“(a) REQUIREMENT.—(1) Not later than fiscal year 2017, and every fourth year thereafter, the Secretary shall conduct a review of the strategy for meeting the commitment of the United States to veterans and the resources necessary to meet that commitment (in this section referred to as a ‘quadrennial veterans review’).

“(2) Each quadrennial veterans review shall include a comprehensive examination of the policies and strategies of the United States with respect to veterans, including recommendations regarding the long-term strategy and priorities for programs, serv-

ices, benefits, and outcomes regarding veterans and guidance on the programs, assets, capabilities, budget, policies, and authorities of the Department.

“(3) The Secretary shall conduct each quadrennial veterans review in consultation with key officials of the Department, the heads of other Federal agencies, and other relevant governmental and nongovernmental entities, including State, local, and tribal government officials, members of Congress, veterans service organizations, private sector representatives, academics, and other policy experts.

“(4) The Secretary shall ensure that each quadrennial veterans review is coordinated with the Future-Years Veterans Program required under section 119 of this title.

“(b) CONTENTS OF REVIEW.—In each quadrennial veterans review, the Secretary shall—

“(1) delineate a veterans strategy consistent with the commitment of the United States to veterans and refine a strategy for the types of, and provision of, programs, services, benefits, and outcomes consistent with current authorities and requirements;

“(2) outline and prioritize the full range of programs and capabilities regarding veterans provided by the Federal Government;

“(3) identify the budget plan required to provide sufficient resources to successfully execute the full range of such programs and capabilities;

“(4) include an assessment of the organizational alignment of the Department with respect to the strategy referred to in paragraph (1) and the programs and capabilities referred to in paragraph (2);

“(5) review and assess the effectiveness of the mechanisms of the Department for executing the process of turning the requirements identified in the quadrennial veterans review into a plan to meet such requirements, including an expenditure plan for the Department; and

“(6) identify emerging trends, problems, opportunities, and issues that could affect veterans or the Department during the ten-year period following the period covered by the review.

“(c) SUBMISSION TO CONGRESS.—(1) The Secretary shall submit to the Committees on Veterans’ Affairs of the Senate and the House of Representatives a report regarding each quadrennial veterans review. The Secretary shall submit the report in the year following the year in which the review is conducted, but not later than the date on which the President submits the budget for the next fiscal year to Congress under section 1105 of title 31, United States Code.

“(2) Each report submitted under paragraph (1) shall include—

“(A) the results of the quadrennial veterans review;

“(B) a description of the challenges to, and opportunities for, the assumed or defined veterans-related interests of the Nation that were examined for the purposes of that review;

“(C) the strategy for meeting the Nation’s commitment to veterans, including a prioritized list of the missions of the Department;

“(D) a description of the interagency cooperation, preparedness of Federal assets, infrastructure, budget plan, and other elements of the programs and policies of the Nation associated with the strategy referred to in subsection (b)(1) that are required to execute successfully the full range of programs and capabilities identified in such strategy and the programs and capabilities outlined under subsection (b)(2);

“(E) an assessment of the organizational alignment of the Department with the strategy referred to in subsection (b)(1) and the programs and capabilities outlined under subsection (b)(2), including the Department’s organizational structure, management systems, budget and accounting systems, human resources systems, procurement systems, and physical and technical infrastructure;

“(F) a discussion of the status of cooperation among Federal agencies in the effort to promote national support for veterans;

“(G) a discussion of the status of cooperation between the Federal Government and State, local, and tribal governments in supporting veterans and providing programs, services, benefits, and outcomes to assist veterans;

“(H) an explanation of any underlying assumptions used in conducting the review; and

“(I) any other matter the Secretary considers appropriate.”.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 119, as added by subsection (a)(2), the following new item:

“120. Quadrennial veterans review.”.

(c) POLICY GUIDANCE.—

(1) IN GENERAL.—Such chapter is further amended by adding after section 120, as added by subsection (b)(1), the following new section:

“§ 121. Policy guidance

“The Secretary shall provide annually to the appropriate officials of the Department written policy guidance for the preparation and review of the planning and program recommendations and budget proposals of the elements of the Department of such officials. Such guidance shall include guidance on the objectives of the Department in accordance with Future-Years Veterans Program under section 119 of this title and the quadrennial veterans review under section 120 and the resource levels projected to be available for the period of time for which such recommendations and proposals are to be effective.”.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 120, as added by subsection (b)(2), the following new item:

“121. Policy guidance.”.

(d) CHIEF STRATEGY OFFICER OF THE DEPARTMENT OF VETERANS AFFAIRS.—

(1) IN GENERAL.—Chapter 3 of title 38, United States Code, is amended by adding at the end the following new section:

“§ 323. Chief Strategy Officer

“(a) IN GENERAL.—The Secretary shall designate the Assistant Secretary whose functions include planning, studies, and evaluations as the Chief Strategy Officer of the Department. The Chief Strategy Officer shall advise the Secretary on long-range strategy and implications.

“(b) RESPONSIBILITIES.—The Chief Strategy Officer is the principal advisor to the Secretary and other senior officials of the Department, and shall provide independent analysis and advice to the Secretary and such officials. The Chief Strategy Officer shall carry out the following responsibilities:

“(1) Conducting cost estimation and cost analysis for the programs of the Department.

“(2) Establishing policies for, and overseeing the integration of, the planning, programming, budgeting and execution process for the Department.

“(3) Providing analysis and advice on matters relating to the planning and programming phase of the planning, programming, budgeting and execution process, and the preparation of materials and guidance for such process, as directed by the Secretary, working in coordination with the Assistant Secretary for Management.

“(4) Developing and executing the Future-Years Veterans Program of the Department, as specified under section 119 of this title.

“(5) Developing resource discussions relating to requirements under consideration in the quadrennial veterans review under section 120 of this title.

“(6) Formulating study guidance for analysis of alternatives for programs and initiatives, including any necessary acquisitions, development, or procurement commensurate with such alternatives, and performance of such analysis as directed by the Secretary.

“(7) Reviewing, analyzing, and evaluating programs for executing approved strategies and policies, ensuring that information on programs and expected outcomes is presented accurately and completely.

“(8) Ensuring that the costs of programs and alternatives are presented accurately and completely by assisting in establishing standards, policies, and procedures for the conduct of cost estimation and cost analysis throughout the Department, including guidance relating to the proper selection of confidence levels in cost estimates generally and for specific programs of the Department.

“(9) Conducting studies at the request of the Secretary regarding costs, policy assumptions, and strategic implications of current policies and possible alternatives.

“(10) Communicating directly to the Secretary and the Deputy Secretary of Veterans Affairs about matters for which the Chief Strategy Officer is responsible without obtaining the approval or concurrence of any other official within the Department.”.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 322 the following new item:

“323. Chief Strategy Officer.”.

SEC. 6. STUDY ON THE FUNCTIONS AND ORGANIZATIONAL STRUCTURE OF THE OFFICE OF THE SECRETARY OF VETERANS AFFAIRS AND OF THE DEPARTMENT OF VETERANS AFFAIRS.

(a) **SECRETARY OF VETERANS AFFAIRS STUDY.**—The Secretary of Veterans Affairs shall conduct a study of the functions and organizational structure of the Office of the Secretary and of the Department of Veterans Affairs.

(b) **CONTENTS OF STUDY.**—In conducting the study under subsection (a), the Secretary shall consider whether the allocation of functions and the organizational structure of the Department, as of the date of the enactment of this Act, constitute the most effective, efficient, and economical allocation and structure to assist the Secretary in carrying out the duties and responsibilities of the Secretary. The Secretary shall also consider—

(1) whether the organization of the Office and the Department is—

(A) optimally structured to assist the Secretary in the effective exercise of control over the Department, including—

- (i) policy development and strategic planning;
- (ii) programming, planning, and budget development and policy, program, and budget execution; and
- (iii) contingency planning; and

(B) the most effective and efficient organization for the initiation, development, and articulation of veterans' policy and the provision of benefits and services;

(2) means of improving and strengthening the oversight and accountability within the Office and Department;

(3) factors inhibiting efficient and effective execution of the functions of the Office and the Department, including factors relating to—

(A) any duplication of functions (both within and between the Office and Department);

(B) the availability to the Secretary of sufficient and detailed information regarding the operation of the Department to enable effective planning, policy execution, and oversight; and

(C) the sufficiency of resources, including personnel, to carry out current and projected requirements in a more effective and efficient manner; and

(4) possible alternative allocations and realignments of authorities and functions within the Office and Department to improve the Department's overall operation and better provide benefits and services.

(c) **INDEPENDENT CONTRACTOR STUDY.**—The Secretary shall enter into a contract with an appropriate entity under which the entity shall carry out an independent study of the same matters required to be considered by the Secretary under subsection (b). The Secretary shall ensure that the entity has full access to such information as the contractor requires in order to conduct the study and that the contractor otherwise receives full cooperation from all officials and entities of the Department of Veterans Affairs.

(d) **REPORT TO CONGRESS.**—Not later than one year after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Veterans Affairs of the Senate and House of Representatives a report on the Secretary's study under subsection (a). The report shall include—

(1) the findings and conclusions of the Secretary with respect to each of the matters set forth in subsection (b);

(2) any recommendations of the Secretary for organizational changes in the Office of the Secretary and the overall Department and a description of the means for implementing each recommendation; and

(3) a copy of the report of the independent contractor under subsection (c), together with such comments on such report as the Secretary considers appropriate.

SEC. 7. PERFORMANCE AWARDS IN THE SENIOR EXECUTIVE SERVICE.

For each of fiscal years 2014 through 2018, the Secretary of Veterans Affairs may not pay any performance awards under section 5384 of title 5, United States Code.

Amend the title so as to read:

A bill to amend title 38, United States Code, to provide for advance appropriations for certain discretionary accounts of the Department of Veterans Affairs, to direct the Secretary of Veterans Affairs to submit to Congress a Future-Years Veterans Program and a quadrennial veterans review, to establish in the Department of Veterans Affairs a Chief Strategy Officer, and for other purposes.

SUMMARY

H.R. 813, the “Putting Veterans Funding First Act of 2013,” was introduced on February 25, 2013, by Committee Chairman Jeff Miller of Florida. H.R. 813, as amended, incorporates H.R. 813 as introduced as well as provisions from H.R. 806, introduced by Representative Julia Brownley of California, H.R. 2704, introduced by Committee Ranking Member Michael H. Michaud of Maine, and a free-standing provision. Together, these provisions would authorize advance appropriations for all Department of Veterans Affairs (VA) discretionary accounts; extend the review by the Government Accountability Office (GAO) of VA’s budget submission for VA medical care accounts; place a five year moratorium on VA Senior Executive Service (SES) bonus payments; establish a Future Years Veterans Program to require a submission by VA of estimated expenditures and proposed appropriations necessary to support the programs, projects, and activities of VA covering, at a minimum, a five-year period; require VA to conduct a “Quadrennial Veterans Review” every four years and to submit such review to the Congress; direct VA to designate a Chief Strategy Officer to be the principal advisor to the Secretary on long range planning activities; and require VA, as well as an independent entity, to conduct a simultaneous review of VA’s organizational structure.

BACKGROUND AND NEED FOR LEGISLATION

Section 1—Short title

Section 1 provides the short title of H.R. 813, as amended, as the “Putting Veterans Funding First Act of 2013.”

Section 2—Scoring of budgetary effects

Section 4 of the Statutory Pay-As-You-Go Act of 2010 (Public Law 111–139; 124 Stat. 8) provides for a required statement to appear with certain legislation in order to lay out the process for publishing the budgetary effects of such legislation. Section 2 of H.R. 813, as amended, contains the required statement, which states that the budgetary effects of the Act shall be determined by reference to a statement submitted for printing in the Congressional Record by the Chairman of the House Budget Committee prior to a vote on passage.

Section 3—Advance appropriations for certain discretionary accounts of the Department of Veterans Affairs

Section 3 of the Veterans Health Care Budget Reform and Transparency Act (Public Law 111–81; 123 Stat. 2137) directed that for each fiscal year, beginning with fiscal year (FY) 2011, discretionary new budget authority provided in appropriations for VA’s medical care accounts shall be made available for that fiscal year and include advance discretionary new budget authority that first becomes available for the first fiscal year after the budget year. The three medical care accounts specified in the law are the medical services account, the medical support and compliance account, and the medical facilities account. Collectively, those three accounts aggregate nearly \$54.5 billion in the FY 2014 advance appropriation, and represent 86 percent of VA’s total discretionary budget.

The motive behind the law's enactment was, in part, a recognition of the harmful effects that delayed enactment of annual appropriations bills had on VA's health care system. Prior to the law's enactment, the VA budget had been in place prior to the start of the fiscal year only four times in the previous 20 years. The FY 2010 Independent Budget described the impact of delayed appropriations as follows:

Although significant strides have been made to increase the level of VA health-care funding during the past several years, the inability of Congress and the Administration to agree upon and enact veterans' health-care appropriations legislation on time continues to hamper and threaten VA health care. When VA does not receive its funding in a timely manner, it is forced to ration health care. Much-needed medical staff cannot be hired, medical equipment cannot be procured, waiting times for veterans increase, and the quality of care suffers.

The years following enactment of the law have not seen an improvement in timely enactment of VA appropriations bills. On the contrary, short-term continuing resolutions (which fund agencies at the prior year's appropriation level) are the order of the day, as are threatened government shutdowns due to a lack of agreement among the President, Senate, and House of Representatives on an overarching budget framework. Indeed, as of the printing of this report there is no full-year appropriation bill yet for VA (or any agency), and neither is there agreement on a continuing resolution, presenting the possibility of a government shutdown. VA health care would be insulated if that were to occur because it has already received its FY 2014 appropriation in advance. However, the other VA discretionary accounts which fund, among other items, disability claims processing, information technology investments, medical facility construction, and national cemetery operations, would be impacted.

At the Committee's July 17, 2013, hearing Mr. Carl Blake, of the Paralyzed Veterans of America, testified on behalf of the co-authors of the Independent Budget in favor of legislation to provide advance appropriations authority for VA's entire discretionary budget, and not just VA's medical care accounts. He described the harmful effects of continuing resolutions on the programs funded through the remaining, non-medical care appropriation accounts accordingly:

[A]lthough the VA medical care budget accounts may contain sufficient funding to open a new outpatient clinic, the fact that VA's IT funding is still provided through the regular annual appropriations process can mean that computers or other IT systems might not be available until Congress completes its work on VA's regular appropriations bills. Similarly, some of the funding for Medical and Prosthetic Research directly contributes to clinical care, but it is out of sync with the provision of medical care funding done through advance appropriations. Thus, while VA researchers' salaries and benefits (paid by the Medical Services appropriation) are now secured at day one of a fiscal year, their awarded research projects may be delayed

or interrupted because that appropriation is not yet approved by Congress.

Moreover, VA construction accounts that fund vital infrastructure maintenance and improvement projects would also be more efficient if were provided through advance appropriations. Uncertain funding levels and delayed contract awards add to overrun costs on important VA capital projects. Finally, the Veterans Benefits Administration's ability to address the backlog of pending claims and transform itself into a modern 21st century organization is hindered by annual budget fights and endless continuing resolutions. Moreover, because VBA's reform is heavily dependent on automation and information technology, its transformation would benefit from the timely and predictable funding resulting from advance appropriations.

Officials at VA believe, too, that providing advance appropriations for all of VA's discretionary accounts would have a positive impact. During his appearance at a legislative seminar on August 12, 2013, at the 2013 DAV National Convention in Orlando, Florida, Mr. Danny Pummel, Principal Deputy Under Secretary for Benefits at VA's Veterans Benefits Administration stated the following:

Advance appropriations for VBA would be a good thing, absolutely it would be a good thing. It would allow us to better serve veterans and allows us to obtain and be able to program the resources that we need to do our job. One of the things that we worry about every year is coming under a continuing resolution; there are certain things you can't do under a continuing resolution. Because we rely so much on IT and our contractors to support us and help us in our mission, being in a period of continuing resolution actually puts veterans at a disadvantage every year. I would say that from a VBA perspective, anything that we could do to get advance appropriations would be a good thing for America's veterans.

Another panelist at the DAV Convention, VA Under Secretary for Health, Dr. Robert Petzel, also commented on the positive effect of advance appropriations on VA's medical care system, as well as the potential impact of the advance appropriation of VA's Information Technology budget:

It has been a very positive thing for VHA. The fact that we know quite closely what the budget is going to look like for two years makes planning and execution much more rational and really much, much more effective. Overall it has been a very positive thing for us. When you look at the areas that surround us that affect our operations that aren't getting an advance appropriation, it's easy to see from our perspective why it might be a desirable thing to extend it to other areas. IT would be an excellent example. There is really nothing that we do that doesn't require IT. IT is our bloodstream in the health care system, it's absolutely essential. The fact that they do not have an advance

appropriation in some ways inhibits our ability to do some things. It's been an excellent program for VHA.

The Committee agrees with these VA officials and the witnesses who testified at the Committee's July 17, 2013, hearing.

Section 3 of H.R. 813, as amended, would amend section 117 of title 38, United States Code, to require that, beginning with Fiscal Year 2016, discretionary new budget authority be made available for all VA discretionary accounts, and that new budget authority for an advance appropriation covering all VA discretionary accounts be made available for the first fiscal year after the budget year. The Committee believes that advance appropriation for all VA discretionary accounts is entirely consistent with the preference that funding for veterans already enjoys relative to other government spending. VA is exempt from ongoing sequestration affecting every other Federal agency and, as discussed, already is provided an advance appropriation for 86 percent of its discretionary budget. Advance appropriating the remaining 14 percent of VA discretionary spending would completely insulate VA funding for veterans from the ongoing difficulty between the Congress and the President in meeting the fiscal challenges confronting the nation. Regardless of party politics, the Committee strongly believes that veterans should not have their funding held hostage due to Washington, D.C. dysfunction.

Section 4—Comptroller General review of Department of Veterans Affairs medical care budget submission

Section 4 of the Veterans Health Care Budget Reform and Transparency Act (Public Law 111-81; 123 Stat. 2137) required the Comptroller General of the Government Accountability Office (GAO) to review the President's budget submission in order to assess whether the relevant components of the request for VA medical care were consistent with the estimates of the resources required by VA for the provision of medical care, as forecast by using the Enrollee Health Care Projection Model (EHCPM). The EHCPM is used by VA in its budget formulation process to develop resource estimates for health care services. According to GAO, those estimates account for roughly 85 percent of VA's health care budget estimate in FY 2014.

In order to improve the transparency of VA budget submissions for VA medical care, the Veterans Health Care Budget Reform and Transparency Act required the GAO review for FY 2012, 2013, and 2014. GAO completed its final budget review mandate with publication of its third report, in August 2013, titled "Veterans Health Care: Improvements Made, but Additional Actions Needed to Address Problems Related to Estimates Supporting President's Request."

Testifying on behalf of the Independent Budget (IB) co-authors at the Committee's July 17, 2013, hearing in support of legislation to extend GAO's review of VA budget submissions, Mr. Carl Blake with the Paralyzed Veterans of America noted that the first two GAO reports found "unjustified, questionable changes VA made during the internal budget development process." Because of the useful information gleaned from GAO's budget reviews, the IB co-authors enthusiastically endorsed an extension of the requirement to cover future budget years. The Committee, also, has found that

GAO's reports provided valuable information and analyses that have informed oversight and decision-making about VA's health care resources. For this reason, the Committee favors the continuation of a statutory requirement for GAO to review the President's budget requests for VA health care.

Section 4 of H.R. 813, as amended, would extend for three years the requirement for GAO to conduct a review of the budget requests submitted by the administration for VA medical care accounts. Section 4 would also require GAO to consult with the House and Senate Veterans' Affairs Committees in determining the timing and scope of the budget reviews. Although the Committee leaves the determination of the specific areas for review, as well as the timing of the resulting report or reports, to GAO, it requires GAO to consult with the Committees concerning these issues. This approach is designed to ensure that the Committees obtain the benefit of GAO's experience and expertise in VA health care programs, but also have the opportunity to advise GAO of the work that will be most useful to the Committees in their oversight over VA health care.

Section 5—Department of Veterans Affairs Budget Planning Reform

Section 5 of H.R. 813, as amended, would reform the manner in which the Department of Veterans Affairs (VA) determines, plans for, and delivers health care, benefits and services, by requiring the VA to periodically review and assess veterans' needs, identify a plan of action to meet these changing needs, and align its resource requirements with its current, and future, operations. Section 5 would do this by codifying a planning, programming, and budget execution process (PPBE) within VA. In its origins, PPBE (then known as PPBS) goes back over five decades to the Department of Defense (DoD).¹ Before the advent of the PPBS budgeting system, the defense budget was described as follows:

The defense budget was far from the vital policy instrument it should have been. Rather than a mechanism for integrating strategy, forces, and costs, it was essentially a bookkeeping device for dividing funds between Services and accounts and a blunt instrument for keeping a lid on defense spending. The information contained in the defense budget was primarily useful for day-to-day administration of the hundreds of departments and agencies in DoD. It was not very useful for helping the President, members of the Congress, and the Secretary of Defense to establish priorities and choose between competing programs. In fact, by focusing their attention on individual appropriation titles such as procurement or construction or personnel rather than major missions such as strategic retaliatory forces or continental air defense forces, it detracted from making such judgments.²

¹See, generally, Chapter IV, "The FY 1963 Budget: Introducing the PPBS," History of the Office of the Secretary of Defense, Volume 5, The McNamara Ascendancy, Lawrence S. Kaplan, et al., Office of the Secretary, Historical Office (2006).

²How Much is Enough?: Shaping the Defense Program 1961–1963, Alain C. Enthoven and K. Wayne Smith, Rand Corporation (2005, 1971) at 11.

The PPBE process is intended to better align resources and requirements.³ “PPBE is an agency-wide methodology for aligning resources in a comprehensive, disciplined, top-down approach that supports the agency’s vision and mission. It focuses on translating strategy into actionable programs and bringing together agency priorities and strategic outcomes within the agency’s resource constraints.”⁴

Section 5 of H.R. 813, as amended, would assist the VA’s nascent efforts in establishing a fully mature PPBE system within the VA by codifying the following framework:

Future-Years Veterans Program

Section 5(a) of H.R. 813, as amended, would, beginning in FY 2018, require VA to submit a Future-Years Veterans Program with its annual budget submission. The Future-Years Veterans Program would lay out a five-year programming plan matched to the VA’s current and projected needs and aligned with a carefully considered plan of action.

Quadrennial Veterans Review

To inform the preparation of the Future-Years Veterans Program, section 5(b) of H.R. 813, as amended, requires VA to conduct a Quadrennial Veterans Review every four years, beginning in FY 2017. The Quadrennial Veterans Review is to be a comprehensive forward-looking examination of the opportunities, challenges, policies and strategies of the Nation as they relate to veterans. The QVR is the basis for the Future-Years Veterans Program, and ensures that VA’s roadmap is aligned with where it needs to go.

Policy guidance

Section 5(c) of H.R. 813, as amended, requires the Secretary to provide annual policy guidance to inform the preparation and review of VA’s planning, programming and budget proposals to ensure that VA’s near-term budgets are aligned with VA’s longer term strategic outlook. This ensures overall accountability and that all of the VA’s various components are aligned with its overall strategy.

Chief Strategy Officer

Section 5(d) of H.R. 813, as amended, would designate a Chief Strategy Officer to provide the Secretary with long-range strategies and implications, and to bolster VA’s analytical and cost-estimation capabilities.

The Committee does not initially expect that VA will be able to provide the same level of detailed information in the Quadrennial

³Prior to the advent of PPBS at the DoD, Enthoven describes the prevailing system as: “The results of requirements planning done without explicit regard to costs, and budget planning done without explicit regard to needs, were absolutely predictable: open ended requirements met arbitrary budget ceilings, and something had to give. Again, predictably, it was military requirements. The idea became accepted that the budget would meet less than the full stated requirement in any given year, with whatever remained being an unanalyzed ‘risk’ to be accepted by the administration. Thus, the administration had its budget, the military its requirements. This approach was bound to produce imbalances and inconsistencies. Half of a \$100-billion defense program chosen unsystematically is very different from a balanced, carefully chosen \$50-billion program.” Ibid, at 14.

⁴NASA Financial Management Requirements Volume 4 Planning Programming Budgeting and Execution July 2006 Office of the Chief Financial Officer, at 1–1.

Veterans Review (as added by section 5(b)) or the Future Years Veterans Program (as added by section 5(a)) as that provided by DoD and other federal agencies with more experience in the PPBE process, but the Committee does expect VA to strive to meet the overall goal of a robust PPBE system. The Committee believes that the PPBE system will lead to a more transparent resourcing process from VA, and enable the VA to weigh alternatives, enunciate milestones, more rationally plan for, and expend, resources across the entire department. PPBE will lead to more detailed budget submissions that will assist Congress in providing the resources needed by the VA. In addition, a PPBE system is critical for the advance appropriations funding mechanism for VA medical care, as currently exists, as well as the proposed extension of this authority to all VA discretionary accounts as contained in section 3 of H.R. 813, as amended.

The Committee believes that ultimately a PPBE system will lead to greater accountability and provide the tools for VA to meet its obligations to, in the words of Abraham Lincoln that serves as the VA's motto, "care for him who shall have borne the battle, and for his widow, and his orphan."

Section 6—Study on the functions and organizational structure of the Office of the Secretary of Veterans Affairs and of the Department of Veterans Affairs

Section 6 of H.R. 813, as amended, would require the Secretary to carry out a study of the organizational structure of the Department to assess how well it addresses current and future veteran needs. This section also requires that an independent contractor conduct a simultaneous study of VA's organization in order to obtain an independent assessment and set of recommendations. These reports are due one year after enactment.

It is the Committee's hope that VA begins to address how best it can provide benefits and services to veterans looking toward the future, and how an advance appropriations funding mechanism, coupled with a PPBE budgeting system, will require VA to better align its long-term strategic outlook with its organizational structure. The Committee believes that the study provided for in this section is the first step in this ongoing conversation.

Section 7—Performance awards in the Senior Executive Service

The Senior Executive Service (SES) was established in 1978 for the purpose of cultivating a professional cadre of highly skilled executives tasked with Federal government program operations and oversight. In addition to basic pay rates ranging, roughly, from \$120,000 to \$180,000, section 5384 of title 5, United States Code, authorizes the payment of performance awards to members of the SES ranging anywhere from 5 to 20 percent of basic pay. Such awards are intended to encourage excellence in performance and may not be paid to any executive whose performance was determined to be less than fully successful.

According to the Congressional Budget Office, VA has been averaging SES performance award payouts of slightly less than \$4 million in recent years. Although performance awards are intended to reward senior executives for their work, the continued payout of large bonuses to SES employees by VA, notwithstanding the tight

fiscal climate, record deficits, and the vast needs of veterans served by VA, has attracted the Committee's attention. Further, serious questions exist regarding the dubious correlation between the payment of a bonus and the attainment of organizational goals. For example, VA has a disability claims backlog that has reached crisis proportions in recent years. However, only this year were SES performance awards withheld for executives of the Veterans Benefits Administration. The Veterans Health Administration, too, has been criticized for awards provided to hospital and network managers for the same period covered by VA Inspector General investigations linking hospital mismanagement with preventable patient deaths. Accordingly, the Committee believes that a top-to-bottom review of VA's performance pay system is in order, to include payments to SES employees.

Section 7 of H.R. 813, as amended, would preclude the VA Secretary from paying any performance awards under section 5384 of title 5, United States Code, for each of fiscal years 2014 through 2018. Such an action would not only allow time for a thorough review of VA's performance pay system, but also recognized the priority that must be placed on ensuring scarce resources are allocated appropriately during a tight fiscal climate.

HEARINGS

On July 17, 2013, the House Committee on Veterans' Affairs conducted a legislative hearing on H.R. 813 (from which section 3 of H.R. 813, as amended, is derived), H.R. 806 (from which section 4 of H.R. 813, as amended, is derived), and H.R. 2704 (from which sections 5 and 6 of H.R. 813, as amended, are derived). The following witnesses testified:

Mr. Robert D. Snyder, Acting Assistant Secretary, Office of Policy and Planning, U.S. Department of Veterans Affairs; accompanying Mr. Snyder was Ms. Helen Tierney, Executive in Charge of the Office of Management and Chief Financial Officer, and Mr. Duane C. Flemming, Director, Policy Analysis and Forecasting, Office of the Assistant Deputy Undersecretary for Health, Veterans Health Administration; Mr. Carl Blake, National Legislative Director, Paralyzed Veterans of America, on behalf of the Independent Budget co-authors; accompanying Mr. Blake was Mr. Adrian Atizado, Assistant National Legislative Director, Disabled American Veterans; Mr. Ray Kelley, Director, National Legislative Service, Veterans of Foreign Wars; and Ms. Diane Zumatto, National Legislative Director, AMVETS; and Mr. Louis J. Celli, Jr., Director, National Legislative Division, The American Legion.

SUBCOMMITTEE CONSIDERATION

There was no Subcommittee consideration of these bills.

COMMITTEE CONSIDERATION

On August 1, 2013, the full Committee met in an open markup session, a quorum being present, and ordered H.R. 813, as amended, reported favorably to the House of Representatives by voice vote.

During consideration of H.R. 813, the following amendment was considered and agreed to by voice vote:

An amendment in the nature of a substitute offered by Mr. Bilirakis of Florida incorporating the text of H.R. 813 as introduced, provisions of H.R. 806, H.R. 2704 as introduced, and a free-standing provision placing a five-year moratorium on VA executive bonuses.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the recorded votes on the motion to report the legislation and amendments thereto. There were no recorded votes taken on amendments or in connection with ordering H.R. 813, as amended, reported to the House. A motion by Ranking Member Michael H. Michaud of Maine to report H.R. 813, as amended, favorably to the House of Representatives was agreed to by voice vote.

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goals and objectives are reflected in the descriptive portions of this report.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

EARMARKS AND TAX AND TARIFF BENEFITS

H.R. 813, as amended, does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate on H.R. 813, as amended, prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate for H.R. 2189, as amended, provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

AUGUST 15, 2013.

Hon. JEFF MILLER,
Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 813, the Putting Veterans Funding First Act of 2013.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Ann E. Futrell.

Sincerely,

DOUGLAS W. ELMENDORF.

Enclosure.

H.R. 813—Putting Veterans Funding First Act of 2013

Summary: H.R. 813 would authorize appropriations in advance for certain programs within the Department of Veterans Affairs (VA) and eliminate performance awards for senior executive staff at that agency. CBO estimates that implementing the bill would have a net cost of \$21 billion over the 2014–2018 period, assuming appropriations action consistent with the bill. Enacting H.R. 813 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 813 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 813 is shown in the following table. The costs of this legislation fall within budget functions 700 (veterans benefits and services) and 800 (general government).

Basis of estimate: For this estimate, CBO assumes the legislation will be enacted in fiscal year 2014, that the necessary amounts will be appropriated for each year, and that outlays will follow historical spending patterns for similar and existing programs.

	By fiscal year, in millions of dollars—					
	2014	2015	2016	2017	2018	2014–2018
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Advance Appropriations:						
Estimated Authorization Level	0	0	8,831	9,111	9,407	27,349
Estimated Outlays	0	0	5,991	7,370	7,814	21,175
Performance Awards for Senior Executive Staff:						
Estimated Authorization level	–4	–4	–4	–4	–4	–18
Estimated Outlays	–4	–4	–4	–4	–4	–18
VA Budget Planning Reform:						
Estimated Authorization Level	*	*	1	1	1	3
Estimated Outlays	*	*	1	1	1	3
GAO Review of VA Medical Care Budget Submission:						
Estimated Authorization Level	*	*	*	1	0	2
Estimated Outlays	*	*	*	1	*	2
Total Changes:						
Estimated Authorization Level	–3	–3	8,829	9,109	9,404	27,336
Estimated Outlays	–3	–3	5,989	7,368	7,811	21,162

Notes: VA = Department of Veterans Affairs; GAO = Government Accountability Office.
 Components may not sum to totals because of rounding.
 * = less than \$500,000.

Advance appropriations

Section 3 would authorize appropriations for 11 specific budget accounts:

- Medical and Prosthetic Research,
 - National Cemetery Administration,
 - Native American Veteran Housing Loan Program,
 - General Administration—General Operating Expenses,
 - General Operating Expenses—Veterans Benefits Administration,
 - Information Technology Systems,
 - Office of the Inspector General,
 - Major Construction Projects,
 - Minor Construction Projects,
 - Grants for Construction of State Extended Care Facilities,
- and
- Grants for Construction of Veteran Cemeteries.

Under current law, appropriations for those budget accounts are provided each year. For each year starting in 2016, and for each account listed above, section 3 would authorize appropriations for that fiscal year as well as advance appropriations for the following fiscal year. CBO estimates that implementing that provision would cost about \$21 billion over the 2014–2018 period, assuming appropriation of the necessary amounts.

CBO's estimate of the authorization of appropriations required under the bill are the same as projections for the 2016–2018 period in the most recent CBO baseline, completed in May 2013. Those amounts are derived from the 2013 appropriated level for each account and adjusted for anticipated inflation. CBO expects that those amounts would be sufficient to provide services at the current level. However, if VA were to significantly expand the programs funded through those accounts, such as construction or research projects, additional funding would be required.

Performance awards for senior executive staff

Section 7 would eliminate performance awards to senior executive staff at VA over the 2014–2018 period. In recent years, VA spent slightly less than \$4 million annually for such performance awards. Assuming that similar amounts would be provided under current law over the next five years, CBO estimates that implementing section 7 would reduce costs for pay and performance by \$18 million over the 2014–2018 period, assuming appropriations are reduced by that amount.

VA budget planning reform

Section 5 would require VA to submit to the Congress several reports. The first report would be entitled the Future-Years Veterans Program and include a spending plan for the subsequent five years and a plan for meeting the goals of the department. It would be included as part of VA's annual budget submission to the Congress, starting with the budget submission for 2018. Also under section 5, VA would be required to complete a quadrennial review of the policies, strategies, outcomes, benefits, and services for veterans provided by the department. That review would start in 2017 and be completed every four years thereafter.

Section 5 also would require VA to designate a current Assistant Secretary as the Chief Strategy Officer (CSO) for the department. The CSO would be responsible for providing advice and analysis regarding the programming and budgeting of department activities. CBO estimates that implementing section 5 would cost \$3 million over the 2014–2018 period, subject to the availability of appropriated funds.

GAO review of VA medical care budget submission

Section 4 would require the Comptroller General of the United States to review and report on the accuracy of the budget submission for VA’s medical care accounts for fiscal years 2015–2017. Based on information from the Government Accountability Office on the staff needed to prepare that report in the past (roughly eight full-time and part-time staff prepare the report over the duration of a year), CBO estimates that implementing this section would cost \$2 million over the 2014–2018 period, assuming the availability of appropriated funds.

Pay-As-You-Go considerations: None.

Intergovernmental and private-sector impact: H.R. 813 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Estimate prepared by: Federal costs: Ann E. Futrell and Dwayne Wright; Impact on state, local, and tribal governments: Lisa Ramirez-Branum; Impact on the private sector: Elizabeth Bass.

Estimate approved by: Peter H. Fontaine, Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates regarding H.R. 813, as amended, prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act would be created by H.R. 813, as amended.

STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to Article I, section 8 of the United States Constitution, the reported bill is authorized by Congress’ power to “provide for the common Defense and general Welfare of the United States.”

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

STATEMENT ON DUPLICATION OF FEDERAL PROGRAMS

Pursuant to section 3(j) of H. Res. 5, 113th Cong. (2013), the Committee finds that no provision of H.R. 813, as amended, establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111-139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

DISCLOSURE OF DIRECTED RULEMAKING

Pursuant to section 3(k) of H. Res. 5, 113th Cong. (2013), the Committee estimates that H.R. 813, as amended, does not require any directed rule makings.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1—Short title

Section 1 would establish the short title of H.R. 813, as amended, as the “Putting Veterans Funding First Act of 2013.”

Section 2—Scoring of budgetary effects

Section 2 contains the required statement on the budgetary effects of H.R. 813, as amended, in compliance with the Statutory Pay-As-You-Go Act of 2010.

Section 3—Advance appropriations for certain discretionary accounts of the Department of Veterans Affairs

Section 3(a) would amend section 117 of title 38, United States Code, to require that discretionary new budget authority be made available for all VA discretionary accounts, and that new budget authority for an advance appropriation covering all VA discretionary accounts be made available for the first fiscal year after the budget year.

Section 3(b) would apply the requirements of section 3(a) to fiscal year 2016 and each subsequent fiscal year.

Section 4—Comptroller General review of Department of Veterans Affairs medical care budget submission

Section 4 would amend section 4 of the Veterans Health Care Budget Reform and Transparency Act of 2009 to require a review by the Comptroller General, in each of fiscal years 2015, 2016 and 2017, of the budget requests for the medical care accounts of VA, and to submit to the Committees on Veterans’ Affairs and Budget in the House and Senate a report or reports on the results of such review. The timing and scope for the submittal of the reports would be determined after consultation with the House and Senate Committees on Veterans’ Affairs.

Section 5—Department of Veterans Affairs budget planning reform

Section 5(a) would, beginning with the submission of the Fiscal Year 2018 VA budget, require the submission of a “Future-Years Veterans Program” reflecting the estimated expenditures and proposed appropriations necessary to support the programs, projects,

and activities of VA. The Future-Years Veterans Program would cover, at a minimum, the budget year and the subsequent four fiscal years.

Section 5(b) would require, beginning in fiscal year 2017, VA to conduct a “Quadrennial Veterans Review” every four years to study the strategy for meeting the commitment of the United States to veterans and the resources necessary to meet that commitment. The reviews would be comprehensive of all programs/policies and would include recommendations on the resources necessary to effect the execution of the elements of the strategic review. The reviews would be required to be coordinated with the Future-Years Veterans Program and would be developed in consultation with other key officials of VA, the heads of other Federal agencies, and other relevant governmental and nongovernmental entities. The contents of the reviews would include a delineated veterans strategy consistent with the commitment of the United States to veterans; a prioritization of the full range of programs and capabilities regarding veterans provided by the Federal Government; an identification of the budget plan required to provide sufficient resources to successfully execute the full range of such programs and capabilities; an assessment of the organizational alignment of VA with respect to any such strategy; a review and assessment of the effectiveness of the mechanisms of the Department for executing the process of turning the requirements identified in the quadrennial review into a plan to meet the requirements; and an identification of emerging trends, problems, opportunities, and issues that could veterans or VA during the ten-year period following the period covered by the review. Following the review a report would be required to be submitted to the House and Senate Committees on Veterans’ Affairs in the year following the year in which the review was conducted.

Section 5(c) would require the VA Secretary to provide annually written policy guidance to appropriate VA officials for the preparation and review of the planning and program recommendations and budget proposals of the various elements of VA. Such guidance would include the objectives of VA in accordance with the Future-Years Veterans Program and the quadrennial veterans review, as well as the resource levels projected to be available for the period of time for which such recommendations and proposals are to be in effect.

Section 5(d) would require VA to designate among the existing, authorized number of Assistant Secretaries one to function as VA’s “Chief Strategy Officer.” The Chief Strategy Officer (CSO) would be the Secretary’s principal advisor on long-range strategy and the implications of that strategy. The CSO would also be responsible for the development and execution of the Future-Years Veterans Program.

Section 6—Study on the functions and organizational structure of the Office of the Secretary of Veterans Affairs and of the Department of Veterans Affairs

Section 6(a) would direct VA to study its own functions and organizational structure to assess whether such structure is optimal in assisting in the Secretary’s effective exercise of control over the department.

Section 6(b) would require the study to assess whether the organization of VA constitutes the most effective, efficient, and economical allocation and structure to assist the Secretary in carrying out the duties and responsibilities of the Secretary. It would also mandate the Secretary's consideration of certain elements in the conduct of the study.

Section 6(c) would require VA to enter into a contract with an independent entity to study the same matters outlined in the study required of VA under section 6(a).

Section 6(d) would require a report to be submitted to the House and Senate Committees on Veterans' Affairs on the Secretary's study under section 6(a), which report would include the findings and recommendations of the Secretary with respect to the matters covered under the report, any recommended organizational changes, and a copy of the report of the independent entity required under section 6(c), along with any comments on such report as the Secretary considers appropriate.

Section 7—Performance awards in the Senior Executive Service

Section 7 would preclude the VA Secretary from paying any performance awards under section 5384 of title 5, United States Code, for each of fiscal years 2014 through 2018.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

* * * * *

PART I—GENERAL PROVISIONS

* * * * *

CHAPTER 1—GENERAL

Sec.

101. Definitions.

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117. Advance appropriations for certain medical care accounts.]

117. Advance appropriations for certain discretionary accounts.

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119. Future-Years Veterans Program.

120. Quadrennial veterans review.

121. Policy guidance.

* * * * *

§ 117. Advance appropriations for [certain medical care accounts] *certain discretionary accounts*

(a) IN GENERAL.—For each fiscal year, beginning with fiscal year 2011, discretionary new budget authority provided in an appropria-

tions Act for the **medical care accounts of the Department** *discretionary accounts of the Department* shall—

(1) * * *

* * * * *

(b) **ESTIMATES REQUIRED.**—The Secretary shall include in documents submitted to Congress in support of the President’s budget submitted pursuant to section 1105 of title 31, United States Code, detailed estimates of the funds necessary for the **medical care accounts of the Department** *discretionary accounts of the Department* for the fiscal year following the fiscal year for which the budget is submitted.

(c) **MEDICAL CARE ACCOUNTS DISCRETIONARY ACCOUNTS.**—For purposes of this section, the term “**medical care accounts of the Department** *discretionary accounts of the Department*” means the following **medical care accounts of the Veterans Health Administration, Department of Veterans Affairs account** *accounts of the Department of Veterans Affairs account*:

- (1) *Veterans Health Administration, Medical Services.*
- (2) *Veterans Health Administration, Medical Support and Compliance.*
- (3) *Veterans Health Administration, Medical Facilities.*
- (4) *Veterans Health Administration, Medical and Prosthetic Research.*
- (5) *National Cemetery Administration.*
- (6) *Veterans Benefits Administration, Native American Veteran Housing Loan Program Account.*
- (7) *Departmental Administration, General Administration, General Operating Expenses.*
- (8) *Departmental Administration, General Operating Expenses, Veterans Benefits Administration.*
- (9) *Departmental Administration, Information Technology Systems.*
- (10) *Departmental Administration, Office of the Inspector General.*
- (11) *Departmental Administration, Construction, Major Projects.*
- (12) *Departmental Administration, Construction, Minor Projects.*
- (13) *Departmental Administration, Grants for Construction of State Extended Care Facilities.*
- (14) *Departmental Administration, Grants for Construction of Veterans Cemeteries.*

* * * * *

§ 119. Future-Years Veterans Program

(a) **SUBMISSION TO CONGRESS.**—The Secretary shall submit to Congress each year, at or about the time that the President’s budget is submitted to Congress pursuant to section 1105(a) of title 31, a *Future-Years Veterans Program* reflecting the estimated expenditures and proposed appropriations included in that budget. Any such *Future-Years Veterans Program* shall cover the fiscal year with respect to which the budget is submitted and at least the four succeeding fiscal years.

(b) *CONSISTENCY.*—(1) *The Secretary shall ensure that amounts described in subparagraph (A) of paragraph (2) for any fiscal year are consistent with amounts described in subparagraph (B) of such paragraph for that fiscal year.*

(2) *Amounts referred to in paragraph (1) are the following:*

(A) *The amounts specified in program and budget information submitted to Congress by the Secretary in support of expenditure estimates and proposed appropriations in the budget submitted to Congress by the President under section 1105(a) of title 31 for any fiscal year, as shown in the Future-Years Veterans Program submitted pursuant to subsection (a).*

(B) *The total amounts of estimated expenditures and proposed appropriations necessary to support the programs, projects, and activities of the Department of Veterans Affairs included pursuant to paragraph (5) of section 1105(a) of title 31 in the budget submitted to Congress under that section for any fiscal year.*

(c) *CONTENTS.*—*The Future-Years Veterans Program under subsection (a) shall set forth the five-year plan of the Department to address the commitment of the United States to veterans and the resources necessary to meet that commitment and shall be developed and updated, as appropriate, annually by the Secretary. Each Future-Years Veterans Program shall include an explanation of—*

(1) *the information that was used to develop program planning guidance for the Future-Years Veterans Program; and*

(2) *how the resource allocations included in the Future-Years Veterans Program correlate to such five-year strategy.*

§ 120. Quadrennial veterans review

(a) *REQUIREMENT.*—(1) *Not later than fiscal year 2017, and every fourth year thereafter, the Secretary shall conduct a review of the strategy for meeting the commitment of the United States to veterans and the resources necessary to meet that commitment (in this section referred to as a “quadrennial veterans review”).*

(2) *Each quadrennial veterans review shall include a comprehensive examination of the policies and strategies of the United States with respect to veterans, including recommendations regarding the long-term strategy and priorities for programs, services, benefits, and outcomes regarding veterans and guidance on the programs, assets, capabilities, budget, policies, and authorities of the Department.*

(3) *The Secretary shall conduct each quadrennial veterans review in consultation with key officials of the Department, the heads of other Federal agencies, and other relevant governmental and non-governmental entities, including State, local, and tribal government officials, members of Congress, veterans service organizations, private sector representatives, academics, and other policy experts.*

(4) *The Secretary shall ensure that each quadrennial veterans review is coordinated with the Future-Years Veterans Program required under section 119 of this title.*

(b) *CONTENTS OF REVIEW.*—*In each quadrennial veterans review, the Secretary shall—*

(1) *delineate a veterans strategy consistent with the commitment of the United States to veterans and refine a strategy for*

the types of, and provision of, programs, services, benefits, and outcomes consistent with current authorities and requirements;

(2) outline and prioritize the full range of programs and capabilities regarding veterans provided by the Federal Government;

(3) identify the budget plan required to provide sufficient resources to successfully execute the full range of such programs and capabilities;

(4) include an assessment of the organizational alignment of the Department with respect to the strategy referred to in paragraph (1) and the programs and capabilities referred to in paragraph (2);

(5) review and assess the effectiveness of the mechanisms of the Department for executing the process of turning the requirements identified in the quadrennial veterans review into a plan to meet such requirements, including an expenditure plan for the Department; and

(6) identify emerging trends, problems, opportunities, and issues that could affect veterans or the Department during the ten-year period following the period covered by the review.

(c) SUBMISSION TO CONGRESS.—(1) The Secretary shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report regarding each quadrennial veterans review. The Secretary shall submit the report in the year following the year in which the review is conducted, but not later than the date on which the President submits the budget for the next fiscal year to Congress under section 1105 of title 31, United States Code.

(2) Each report submitted under paragraph (1) shall include—

(A) the results of the quadrennial veterans review;

(B) a description of the challenges to, and opportunities for, the assumed or defined veterans-related interests of the Nation that were examined for the purposes of that review;

(C) the strategy for meeting the Nation's commitment to veterans, including a prioritized list of the missions of the Department;

(D) a description of the interagency cooperation, preparedness of Federal assets, infrastructure, budget plan, and other elements of the programs and policies of the Nation associated with the strategy referred to in subsection (b)(1) that are required to execute successfully the full range of programs and capabilities identified in such strategy and the programs and capabilities outlined under subsection (b)(2);

(E) an assessment of the organizational alignment of the Department with the strategy referred to in subsection (b)(1) and the programs and capabilities outlined under subsection (b)(2), including the Department's organizational structure, management systems, budget and accounting systems, human resources systems, procurement systems, and physical and technical infrastructure;

(F) a discussion of the status of cooperation among Federal agencies in the effort to promote national support for veterans;

(G) a discussion of the status of cooperation between the Federal Government and State, local, and tribal governments in supporting veterans and providing programs, services, benefits, and outcomes to assist veterans;

- (H) an explanation of any underlying assumptions used in conducting the review; and
- (I) any other matter the Secretary considers appropriate.

§ 121. Policy guidance

The Secretary shall provide annually to the appropriate officials of the Department written policy guidance for the preparation and review of the planning and program recommendations and budget proposals of the elements of the Department of such officials. Such guidance shall include guidance on the objectives of the Department in accordance with Future-Years Veterans Program under section 119 of this title and the quadrennial veterans review under section 120 and the resource levels projected to be available for the period of time for which such recommendations and proposals are to be effective.

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CHAPTER 3—DEPARTMENT OF VETERANS AFFAIRS

Sec.
301. Department.

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323. Chief Strategy Officer.

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§ 323. Chief Strategy Officer

(a) *IN GENERAL.*—The Secretary shall designate the Assistant Secretary whose functions include planning, studies, and evaluations as the Chief Strategy Officer of the Department. The Chief Strategy Officer shall advise the Secretary on long-range strategy and implications.

(b) *RESPONSIBILITIES.*—The Chief Strategy Officer is the principal advisor to the Secretary and other senior officials of the Department, and shall provide independent analysis and advice to the Secretary and such officials. The Chief Strategy Officer shall carry out the following responsibilities:

- (1) Conducting cost estimation and cost analysis for the programs of the Department.
- (2) Establishing policies for, and overseeing the integration of, the planning, programming, budgeting and execution process for the Department.
- (3) Providing analysis and advice on matters relating to the planning and programming phase of the planning, programming, budgeting and execution process, and the preparation of materials and guidance for such process, as directed by the Secretary, working in coordination with the Assistant Secretary for Management.
- (4) Developing and executing the Future-Years Veterans Program of the Department, as specified under section 119 of this title.
- (5) Developing resource discussions relating to requirements under consideration in the quadrennial veterans review under section 120 of this title.

(6) *Formulating study guidance for analysis of alternatives for programs and initiatives, including any necessary acquisitions, development, or procurement commensurate with such alternatives, and performance of such analysis as directed by the Secretary.*

(7) *Reviewing, analyzing, and evaluating programs for executing approved strategies and policies, ensuring that information on programs and expected outcomes is presented accurately and completely.*

(8) *Ensuring that the costs of programs and alternatives are presented accurately and completely by assisting in establishing standards, policies, and procedures for the conduct of cost estimation and cost analysis throughout the Department, including guidance relating to the proper selection of confidence levels in cost estimates generally and for specific programs of the Department.*

(9) *Conducting studies at the request of the Secretary regarding costs, policy assumptions, and strategic implications of current policies and possible alternatives.*

(10) *Communicating directly to the Secretary and the Deputy Secretary of Veterans Affairs about matters for which the Chief Strategy Officer is responsible without obtaining the approval or concurrence of any other official within the Department.*

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**VETERANS HEALTH CARE BUDGET REFORM AND
TRANSPARENCY ACT OF 2009**

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**[SEC. 4. COMPTROLLER GENERAL REVIEW OF THE ACCURACY OF VA
MEDICAL CARE BUDGET SUBMISSION IN RELATION TO
BASELINE HEALTH CARE MODEL PROJECTION.**

[(a) REVIEW OF ACCURACY OF MEDICAL CARE BUDGET SUBMISSION.—The Comptroller General shall conduct a review of each budget of the President for a fiscal year that is submitted to Congress pursuant to section 1105(a) of title 31 in order to assess whether or not the relevant components of the amounts requested in such budget for such fiscal year for the medical care accounts of the Department of Veterans Affairs specified in section of title 38, United States Code, as added by section 3, are consistent with estimates of the resources required by the Department for the provision of medical care and services in such fiscal year, as forecast using the Enrollee Health Care Projection Model, or other methodologies used by the Department.

[(b) REPORTS.—

[(1) IN GENERAL.—Not later than 120 days after the date of each year in 2011, 2012, and 2013, on which the President submits the budget request for the next fiscal year under section of title 31, United States Code, the Comptroller General shall submit to the Committees on Veterans' Affairs, Appropriations, and the Budget of the Senate and the Committees on Veterans' Affairs, Appropriations, and the Budget of the House of Representatives and to the Secretary a report on the review conducted under subsection (a).

【(2) ELEMENTS.—Each report under this paragraph shall include, for the fiscal year beginning in the year in which such report is submitted, the following:

【(A) An assessment of the review conducted under subsection (a).

【(B) The basis for such assessment.

【(C) Such additional information as the Comptroller General determines appropriate.

【(3) AVAILABILITY TO THE PUBLIC.—Each report submitted under this subsection shall also be made available to the public.】

SEC. 4. COMPTROLLER GENERAL REVIEW OF DEPARTMENT OF VETERANS AFFAIRS MEDICAL CARE BUDGET SUBMISSION.

(a) REVIEW OF BUDGET SUBMISSION; REPORTS.—For each of fiscal years 2015, 2016, and 2017, the Comptroller General of the United States shall—

(1) review the budget requests for the medical care accounts of the Department of Veterans Affairs in the President’s budget request submitted pursuant to section 1105 of title 31, United States Code; and

(2) submit to the Committees on Veterans’ Affairs, Appropriations, and the Budget of the Senate and House of Representatives a report or reports on the results of each such review.

(b) TIMING AND SCOPE OF REPORTS.—In determining the timing and scope for the submittal of the report or reports required under subsection (a), the Comptroller General shall consult with the Committees on Veterans’ Affairs of the Senate and House of Representatives.

(c) MEDICAL CARE ACCOUNTS.—In this section, the term “medical care accounts of the Department of Veterans Affairs” means the following medical care accounts of the Veterans Health Administration, Department of Veterans Affairs account:

- (1) Medical Services.*
- (2) Medical Support and Compliance.*
- (3) Medical Facilities.*

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