

DEPARTMENT OF VETERANS AFFAIRS BUDGET PLANNING  
 REFORM ACT OF 2015

MARCH 23, 2015.—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. 216]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 216) to amend title 38, United States Code, 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, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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## AMENDMENT

The amendment is as follows:

Strike all after the enacting clause and insert the following:

### SECTION 1. SHORT TITLE.

This Act may be cited as the “Department of Veterans Affairs Budget Planning Reform Act of 2015”.

### SEC. 2. ESTABLISHMENT OF STRATEGIC PLANS TO IMPROVE PROGRAMS AND BENEFITS FOR VETERANS.

#### (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.

“(d) PUBLICATION.—The Secretary shall publish on a publically accessible Internet website of the Department each Future-Years Veterans Program submitted pursuant to subsection (a).”.

(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 budget request for the Department of Veterans Affairs for fiscal year 2020 and fiscal years thereafter.

#### (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 2019, 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 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 to Congress the budget for the next fiscal year under section 1105 of title 31.

“(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.

“(d) PUBLICATION.—The Secretary shall publish on a publically accessible Internet website of the Department each quadrennial veterans review submitted pursuant to subsection (c).

“(e) INDEPENDENT VETERANS REVIEW PANEL.—(1) Not later than February 1 of a year in which a quadrennial veterans review is conducted under this section, the Secretary shall establish an independent panel to be known as the Independent Veterans Review Panel (in this subsection referred to as the ‘Panel’). The Panel shall have the duties set forth in this subsection.

“(2) The Panel shall be composed of 10 members who are recognized experts in matters relating to veterans. The members shall be appointed as follows:

“(A) Two by the chairman of the Committee on Veterans’ Affairs of the House of Representatives.

“(B) Two by the chairman of the Committee on Veterans’ Affairs of the Senate.

“(C) Two by the ranking member of the Committee on Veterans’ Affairs of the House of Representatives.

“(D) Two by the ranking member of the Committee on Veterans’ Affairs of the Senate.

“(E) Two by the Secretary, who shall serve as co-chairs of the panel.

“(3) Members shall be appointed for the life of the Panel. Any vacancy in the Panel shall be filled in the same manner as the original appointment.

“(4) The Panel shall have the following duties with respect to a quadrennial veterans review:

“(A) While the review is being conducted, the Panel shall review the updates from the Secretary required under paragraph (7) on the progress of the conduct of the review.

“(B) The Panel shall—

“(i) review the Secretary’s terms of reference and any other materials providing the basis for, or substantial inputs to, the work of the Department of Veterans Affairs on the quadrennial veterans review;

“(ii) conduct an assessment of the assumptions, strategy, findings, and risks included in the report on the quadrennial veterans review required in subsection (c);

“(iii) conduct an independent assessment of a variety of strategies for delivering services and support to veterans;

“(iv) review the resource requirements identified pursuant to subsection (b)(3) and, to the extent practicable, make a general comparison to the resource requirements to support the strategies assessed under this subparagraph; and

“(v) provide to the Committees on Veterans’ Affairs of the Senate and the House of Representatives and the Secretary, through the report under paragraph (7), any recommendations the Panel determines appropriate.

“(5) If the Secretary has not appointed members to the Panel under paragraph (2)(E) by February 1 of a year in which a quadrennial veterans review is conducted under this section, the Panel shall convene for its first meeting with the remaining members.

“(6) Not later than three months after the date on which the report on a quadrennial veterans review is submitted under subsection (c) to the Committees on Veterans’ Affairs of the Senate and the House of Representatives, the Panel shall submit to such committees a report containing an assessment of the quadrennial veterans review, including a description of the items addressed under paragraph (4) with respect to that quadrennial veterans review.

“(7) Periodically, but not less often than every 60 days during the life of the panel, or at the request of the co-chairs, the Secretary shall brief the Panel on the progress of the conduct of the quadrennial veterans review.

“(8)(A) The Panel may request directly from the Department such information as the Panel considers necessary to carry out its duties under this subsection. The Secretary shall cooperate with the Panel to ensure that information requested by the Panel under this subparagraph is promptly provided to the maximum extent practical.

“(B) Upon the request of the co-chairs, the Secretary shall make available to the Panel the services of any federally funded research and development center that is covered by a sponsoring agreement of the Department.

“(C) The Panel shall have the authorities provided in section 3161 of title 5 and shall be subject to the conditions set forth in such section.

“(D) Funds for activities of the Panel shall be provided from amounts available to the Department.

“(9) The Panel shall terminate 45 days after the date on which the Panel submits the report on the quadrennial veterans review under paragraph (6).”.

(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.”.

**SEC. 3. CHIEF STRATEGY OFFICER OF THE DEPARTMENT OF VETERANS AFFAIRS.**

(a) 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.”.

(b) 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.”.

#### PURPOSE AND SUMMARY

H.R. 216, the “Department of Veterans Affairs Budget Planning Reform Act of 2015” was introduced on January 8, 2015, by Committee Ranking Minority Member Corrine Brown of Florida and Committee Chairman Jeff Miller of Florida. H.R. 216, as amended, would establish a Future Years Veterans Program (FYVP) 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 (QVR) every four years and to submit such review to the Congress, as well as establish an Independent Veterans Review Panel to review the QVR; and direct VA to designate a Chief Strategy Officer to be the principal advisor to the Secretary on long range planning activities.

#### BACKGROUND AND NEED FOR LEGISLATION

In its present form, the Department of Veterans Affairs budget process does not provide sufficient information on not only current resource requirements, but also future funding needs. To improve the budget formulation process and by extension, the Committee’s understanding of the Departments goals and the resources needed to meet those goals, Section 2 of H.R. 216, 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 2 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).<sup>1</sup> 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

<sup>1</sup> See, 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).

personnel rather than major missions such as strategic retaliatory forces or continental air defense forces, it detracted from making such judgments.<sup>2</sup>

The PPBE process is intended to better align resources and requirements.<sup>3</sup> “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.”<sup>4</sup>

Section 2 of H.R. 216, 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 2(a) of H.R. 216, as amended, would, beginning in FY 2020, 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. The Future-Years Veterans Program would be submitted to Congress annually and published on a publicly accessible Internet website of the VA.

#### *Quadrennial Veterans Review*

To inform the preparation of the Future-Years Veterans Program, section 2(b) of H.R. 216, as amended, requires VA to conduct a Quadrennial Veterans Review every four years, beginning in FY 2019. 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. The QVR would be submitted to Congress and published on a publicly accessible Internet website of the VA.

In addition to the process mandated in H.R. 216, as amended regarding the formulation of the QVR, an Independent Veterans Review Panel would be mandated. This panel would be comprised of 10 members who are “recognized experts in matters relating to veterans” and appointed by the Chair and Ranking Members of the Committees on Veterans’ Affairs of the Senate and House of Representatives, as well as by the Secretary. The Panel would be charged with reviewing the process by which the QVR is formulated and would submit a report assessing the QVR to the Commit-

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

<sup>3</sup> Prior 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.

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

tees on Veterans' Affairs of the Senate and House of Representatives not later than three months after the QVR is submitted.

*Policy Guidance*

Section 2(c) of H.R. 216, 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 2(d) of H.R. 216, 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 Veterans Review (as added by section 2(b)) or the Future Years Veterans Program (as added by section 2(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. PPBE will provide a greater degree of transparency to the public regarding the resource requirements of the VA and the choices made by the Department to meet its mission. Finally, the Committee believes that a PPBE system is critical to support the advance appropriations funding mechanism currently in place for VA medical care and a number of VA mandatory accounts, which comprise about 94 percent of the VA's annual budget.

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."

HEARINGS

On January, 27, 2015, the House Committee on Veterans' Affairs conducted a legislative hearing on H.R. 216. The following witnesses testified:

The Honorable Alan Grayson of Florida; Mr. David R. McLenachen, Acting Deputy Under Secretary for Disability Assistance, Veterans Benefits Administration, U.S. Department of Veterans Affairs; accompanying Mr. Mclenachen was Dr. Rajiv Jain, Assistant Under Secretary for Health for Patient Services, Veterans Health Administration; Ms. Susan Sullivan, Deputy Assistant Secretary for Policy and Planning, and Ms. Kim McLeod, Counsel, Office of General Counsel, all of the U.S. Department of Veterans Affairs; Mr. Joseph A. Violante, National Legislative Direc-



tor, Disabled American Veterans; Mr. Aleks Morosky, Deputy Director National Legislative Service, Veterans of Foreign Wars; Mr. Zachary Hearn, Deputy Director of Claims of the Veterans Affairs and Rehabilitation Commission of The American Legion; and Blake Ortner, Deputy Government Relations Director.

#### SUBCOMMITTEE CONSIDERATION

There was no Subcommittee consideration of these bills.

#### COMMITTEE CONSIDERATION

On February 12, 2015, the full Committee met in an open mark-up session, a quorum being present, and ordered H.R. 216, as amended, reported favorably to the House of Representatives by voice vote.

During consideration of H.R. 216, the following amendments were considered and agreed to by voice vote:

An amendment in the nature of a substitute offered by Ms. Brown of Florida that removed a study requirement and added provisions relating to publication, and an amendment to the amendment in the nature of a substitute offered by Mr. Lamborn of Colorado adding a provision establishing an Independent Veterans Review Panel.

#### 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. 216, as amended, reported to the House. A motion by Ranking Member Corrine Brown of Florida to report H.R. 216, 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. 216, 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. 216, 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. 216, as amended, provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, March 2, 2015.*

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. 216, the Department of Veterans Affairs Budget Planning Reform Act of 2015.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Dwayne M. Wright.

Sincerely,

DOUGLAS W. ELMENDORF,  
*Director.*

Enclosure.

*H.R. 216—Department of Veterans Affairs Budget Planning Reform Act of 2015*

H.R. 216 would require the Department of Veterans Affairs (VA) to submit several reports to the Congress and to designate a current Assistant Secretary as the Chief Strategy Officer (CSO) for the department. CBO estimates that implementing H.R. 216 would cost \$3 million over the 2016–2020 period, subject to the availability of appropriated funds. Enacting H.R. 216 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

Section 2 would require VA to submit to the Congress several reports. The first report would be entitled the Future-Years Veterans Program and would include a spending plan for the subsequent five years as well as 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 2020. VA also would be required to complete a quadrennial review of the policies, strategies, benefits, and services for veterans provided by the department. That review would start in 2019 and be completed every four years thereafter. Based on the costs of existing reporting

requirements, CBO estimates that preparing the required report and review would cost \$1 million over the 2016–2020 period.

In every year for which a quadrennial review is being conducted, VA also would be required to establish an Independent Veterans Review Panel of 10 individuals appointed by the Congress and VA to conduct a review and assessment of the assumptions, strategies, and findings of the quadrennial review. The individuals comprising the Independent Veteran Review Panel would be eligible for compensation not to exceed the pay for a federal employee being paid at the GS–15 General Schedule pay rate. Based on this information, CBO estimates that operating the review panel would cost about \$1 million over the 2016–2020 period.

Section 3 would require VA to designate a current Assistant Secretary as the 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 providing a staff to support activities of the CSO would cost \$1 million over the 2016–2020 period.

H.R. 216 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Dwayne M. Wright. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

#### FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates regarding H.R. 216, 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. 216, 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(g) of H. Res. 5, 114th Cong. (2015), the Committee finds that no provision of H.R. 216, 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(i) of H. Res. 5, 114th Cong. (2015), the Committee estimates that H.R. 216, as amended, does not require directed rule making.

#### SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

##### *Section 1—Short title*

Section 1 would establish the short title of H.R. 216, as amended, as the “Department of Veterans Affairs Budget Planning Reform Act of 2015.”

##### *Section 2—Establishment of strategic plans to improve programs and benefits for veterans*

Section 2(a) would, beginning with the submission of the Fiscal Year 2020 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. The Future-Years Veterans Program would be submitted to Congress annually and published on a publicly accessible Internet website of the VA.

Section 2(b) would require, beginning in fiscal year 2019, 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. The QVR would be submitted to Congress and published on a publicly accessible Internet website of the VA.

In addition to the process mandated in H.R. 216, as amended regarding the formulation of the QVR, an Independent Veterans Review Panel would be mandated. This panel would be comprised of 10 members who are “recognized experts in matters relating to veterans” and appointed by the Chair and Ranking Members of the Committees on Veterans’ Affairs of the Senate and House of Representatives, as well as by the Secretary. The Panel would be charged with reviewing the process by which the QVR is formulated and would submit a report assessing the QVR to the Committees on Veterans’ Affairs of the Senate and House of Representatives not later than three months after the QVR is submitted.

Section 2(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 2(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.

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 (new matter is printed in italic and existing law in which no change is proposed is shown in roman):

**TITLE 38, UNITED STATES CODE**

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**PART I—GENERAL PROVISIONS**

\* \* \* \* \*

**CHAPTER 1—GENERAL**

Sec.

101. Definitions.

\* \* \* \* \*

119. *Future-Years Veterans Program.*

120. *Quadrennial veterans review.*

121. *Policy guidance.*

\* \* \* \* \*

**§ 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.

(d) *PUBLICATION.*—The Secretary shall publish on a publically accessible Internet website of the Department each Future-Years Veterans Program submitted pursuant to subsection (a).

**§ 120. Quadrennial veterans review**

(a) *REQUIREMENT.*—(1) Not later than fiscal year 2019, 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 to Congress the budget for the next fiscal year under section 1105 of title 31.*

*(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.*

*(d) PUBLICATION.—The Secretary shall publish on a publically accessible Internet website of the Department each quadrennial veterans review submitted pursuant to subsection (c).*

*(e) INDEPENDENT VETERANS REVIEW PANEL.—(1) Not later than February 1 of a year in which a quadrennial veterans review is conducted under this section, the Secretary shall establish an independent panel to be known as the Independent Veterans Review Panel (in this subsection referred to as the "Panel"). The Panel shall have the duties set forth in this subsection.*

*(2) The Panel shall be composed of 10 members who are recognized experts in matters relating to veterans. The members shall be appointed as follows:*

*(A) Two by the chairman of the Committee on Veterans' Affairs of the House of Representatives.*

*(B) Two by the chairman of the Committee on Veterans' Affairs of the Senate.*

*(C) Two by the ranking member of the Committee on Veterans' Affairs of the House of Representatives.*

*(D) Two by the ranking member of the Committee on Veterans' Affairs of the Senate.*

*(E) Two by the Secretary, who shall serve as co-chairs of the panel.*

*(3) Members shall be appointed for the life of the Panel. Any vacancy in the Panel shall be filled in the same manner as the original appointment.*

*(4) The Panel shall have the following duties with respect to a quadrennial veterans review:*

*(A) While the review is being conducted, the Panel shall review the updates from the Secretary required under paragraph (7) on the progress of the conduct of the review.*

*(B) The Panel shall—*

*(i) review the Secretary's terms of reference and any other materials providing the basis for, or substantial inputs to, the work of the Department of Veterans Affairs on the quadrennial veterans review;*

*(ii) conduct an assessment of the assumptions, strategy, findings, and risks included in the report on the quadrennial veterans review required in subsection (c);*

*(iii) conduct an independent assessment of a variety of strategies for delivering services and support to veterans;*



(iv) review the resource requirements identified pursuant to subsection (b)(3) and, to the extent practicable, make a general comparison to the resource requirements to support the strategies assessed under this subparagraph; and

(v) provide to the Committees on Veterans' Affairs of the Senate and the House of Representatives and the Secretary, through the report under paragraph (7), any recommendations the Panel determines appropriate.

(5) If the Secretary has not appointed members to the Panel under paragraph (2)(E) by February 1 of a year in which a quadrennial veterans review is conducted under this section, the Panel shall convene for its first meeting with the remaining members.

(6) Not later than three months after the date on which the report on a quadrennial veterans review is submitted under subsection (c) to the Committees on Veterans' Affairs of the Senate and the House of Representatives, the Panel shall submit to such committees a report containing an assessment of the quadrennial veterans review, including a description of the items addressed under paragraph (4) with respect to that quadrennial veterans review.

(7) Periodically, but not less often than every 60 days during the life of the panel, or at the request of the co-chairs, the Secretary shall brief the Panel on the progress of the conduct of the quadrennial veterans review.

(8)(A) The Panel may request directly from the Department such information as the Panel considers necessary to carry out its duties under this subsection. The Secretary shall cooperate with the Panel to ensure that information requested by the Panel under this subparagraph is promptly provided to the maximum extent practical.

(B) Upon the request of the co-chairs, the Secretary shall make available to the Panel the services of any federally funded research and development center that is covered by a sponsoring agreement of the Department.

(C) The Panel shall have the authorities provided in section 3161 of title 5 and shall be subject to the conditions set forth in such section.

(D) Funds for activities of the Panel shall be provided from amounts available to the Department.

(9) The Panel shall terminate 45 days after the date on which the Panel submits the report on the quadrennial veterans review under paragraph (6).

### **§ 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.	*	*	*	*	*	*	*
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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