

Congress

Veterans Ask for an Advance

By Sydney J. Freedberg Jr.

■ Veterans groups want the VA to get its health care money on day one of each fiscal year.

■ But the dysfunctional budget process usually delays the money's arrival.

■ A budgeting loophole—called “advance appropriations”—may be the ticket.

Veterans benefits are one of the most popular causes in Congress. But Veterans Affairs hospitals and clinics are routinely buffeted by the annual uncertainties of the increasingly dysfunctional budget process on Capitol Hill. Now veterans advocates have proposed a controversial fix.

For years, veterans groups have argued, in vain, for making veterans health care funding automatic, as it is for Social Security, Medicaid, and Medicare. In recent months, however, a coalition led by the 1.4 million-member Disabled American Veterans has switched tactics. Instead of seeking politically unpalatable mandatory funding, the group is proposing that VA health care be funded through an obscure legislative mechanism called “advance appropriations.”

In contrast to mandatory or entitlement

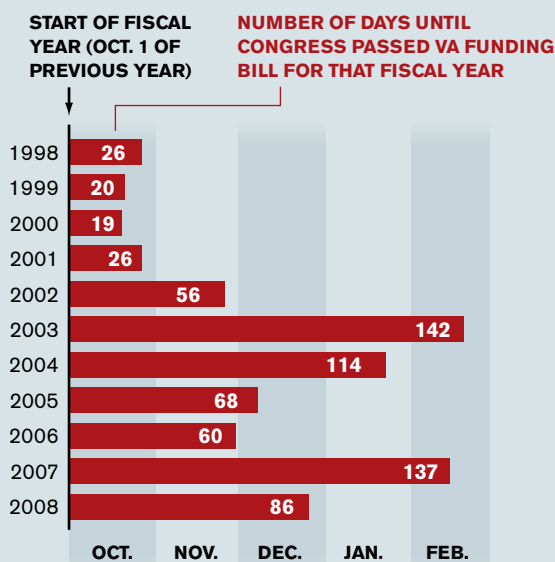
funding, the advance-appropriations process does let Congress vote on funding levels—but it does so a year in advance of the regular budget cycle. So while Congress debates most programs' appropriations for fiscal 2009, it is setting aside almost \$30 billion worth of advance appropriations for 2010. This money funds an eclectic mix of programs ranging from Section 8 housing subsidies to education grants to the Corporation for Public Broadcasting. No matter how delayed or disrupted funding may be for the rest of the federal government, these advance-appropriations programs are guaranteed to get their money on time, at the start of each fiscal year. “The VA has had a hideous problem for a decade” with tardy funding bills, said John M. Bradley, a longtime Hill staffer who is now with the Disabled American Veterans. “Advance appropriations are a very attractive potential vehicle.”

To veterans groups, this work-around is legislative genius. To budget hawks, it's brazen gimmickry. “That is not how we should do budgeting,” fumed Maya MacGuineas, president of the New America Foundation's Committee for a Responsible Federal Budget. “The whole point about doing budgeting on a regular basis is to keep reassessing priorities,” she said. “But you have a very large constituency for not coming to terms with the real cost of the budget, and there has been huge growth in advance appropriations.”

Advance appropriations began in 1967 as a way to insulate the Corporation for Public Broadcasting from congressional criticism of its programming. Congress slowly added other appropriations in ensuing years; as late as 1996, however, the total sum was less than \$3 billion. Then appropriators seized on the mechanism as a way to bypass budget caps. Over the next five years, advances increased 800 percent. For fiscal 2001, budgeteers stepped in to limit advances being slipped into the budget to \$23.5 billion.

■ Generous, but Late

Congress is generous with veterans' health care funding—which has more than doubled in the last decade—but it is also chronically late. The Veterans Affairs appropriation for fiscal 1997 (which began on October 1, 1996) was the last one that passed on time. Ever since, the VA has begun the fiscal year without knowing its budget, forcing fiscal stopgaps such as hiring freezes at veterans hospitals and clinics.



SOURCE: Library of Congress

That figure is expected to hit \$28.9 billion in fiscal 2009. If the veterans groups manage to move most VA health care accounts into the advance-appropriations process, the total would more than double, to approximately \$70 billion a year.

Such a large sum speaks to the central irony of the whole debate. Activists are generally happy with the amounts that Congress is voting for VA health care. The problem is with how long it takes Congress to vote. Congress last managed to enact veterans funding on time in 1996, when it passed the 1997 appropriation just four days before the beginning of the fiscal year, which begins on October 1. It has been late every year since, never by less than 19 days and, on average, by more than two months. The appropriation for fiscal 2008 was passed the day after Christmas, 86 days late.

To keep federal agencies operating in the no-man's months after one year's funding has expired and before the next year's is appropriated—and to avoid a politically costly government shutdown such as 1995's—Congress passes “continuing resolutions” that frequently keep programs at last year's spending levels. (In an unprecedented departure, a fall 2007 continuing resolution did give the VA an increase.) This stopgap is awkward for any department or agency. It is especially problematic for the VA, which has to keep 153 hospitals and 732 clinics running day in, day out, for a patient population that continues to grow rapidly—from 4.2 million in 2001 to 5.7 million today.

The VA has come up with a host of stopgaps to keep the lights on and the patients cared for. “It's not like delaying the building of a highway,” said Art Klein, former chief budgeteer for the VA's health care arm, the Veterans Health Administration. “Normally the federal budget is giving grants for something to happen; but in this case, it's a direct provision of health care: thousands of patients in beds, millions of outpatient visits.”

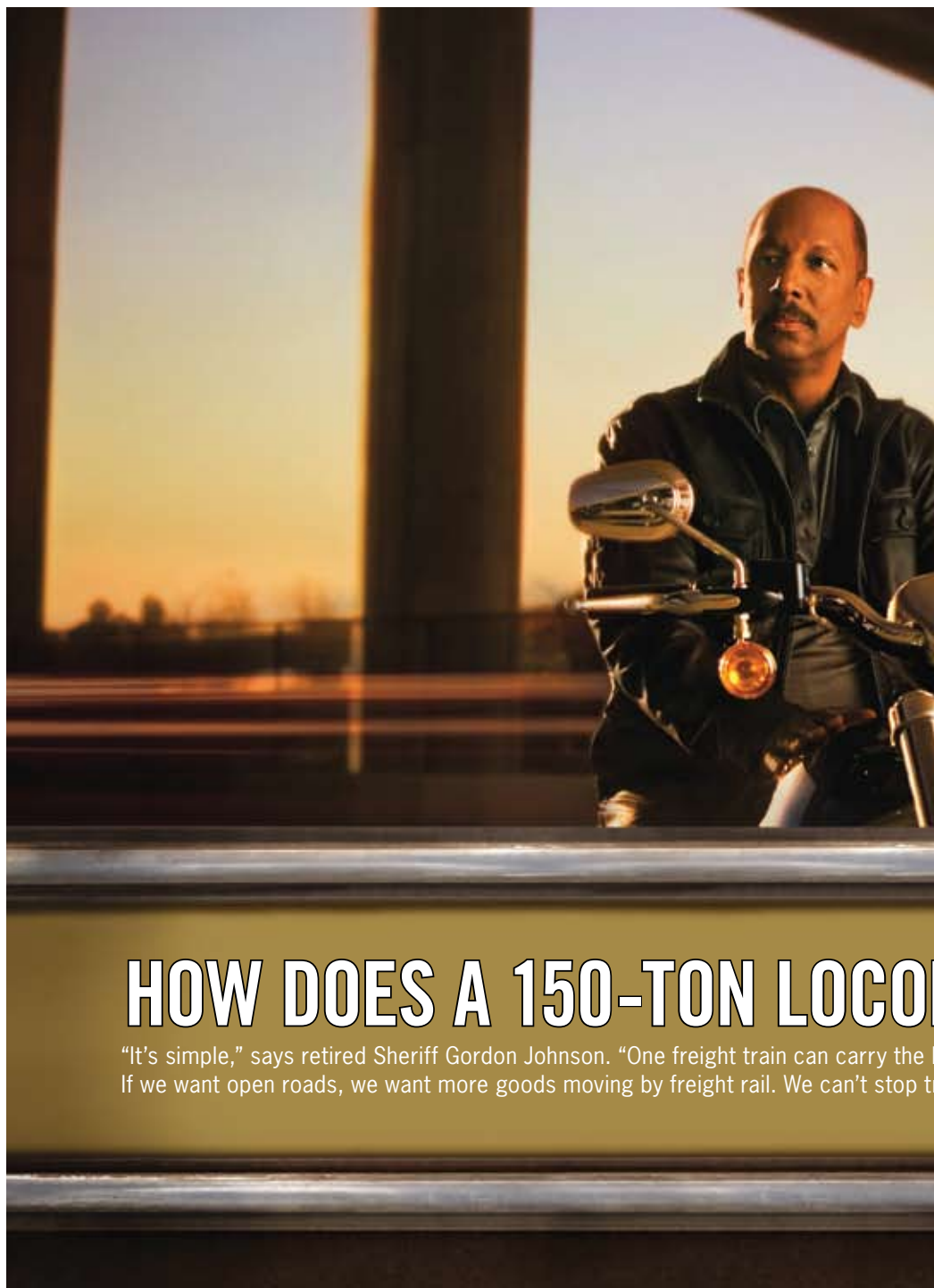
To keep paychecks coming for nurses and doctors, VA administrators routinely put off buying equipment, doing maintenance, restocking inventories, and even hiring staff until later in the year. When appropriations finally do arrive, they often trigger a scramble to cover backed-up needs and to spend money that, thanks to congressional generosity, is well in excess of what the VA had planned for. Such a cycle of famine and feast encourages inefficiency, hampers planning, and can

make hiring in certain medical specialties almost impossible.

Advocates have long argued that making veterans health care funding automatic—as veterans disability payments already are—would guarantee the VA the funds it needs, when it needs them. Veterans groups are still backing mandatory-funding bills by Democrats Tim Johnson of South Dakota

in the Senate and Phil Hare of Illinois in the House. “We have to suck it up and keep the promise that we made,” Hare told *National Journal*. “I put it up on par with Social Security and Medicare.”

Most legislators, however, are loath to move any more programs from the discretionary side of the budget, where they can vote funding levels every year, to the entitle-



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“It's simple,” says retired Sheriff Gordon Johnson. “One freight train can carry the same amount of goods as 100 trucks. If we want open roads, we want more goods moving by freight rail. We can't stop trucking.”

ment side, where spending is set by statutory formulas and increasingly runs out of control. And veterans groups are giving up hope that Democratic control of Congress might soften this resistance. Speaker Nancy Pelosi, D-Calif., “herself has said positively that she wants mandatory spending for VA health care, but we can’t get any traction,” said Bradley of the Disabled American Vet-

erans. “So our thinking for the past year has been directed to looking at an alternative approach, and we stumbled upon this advance-appropriations technique.”

The idea originated with a June 2007 memo from a consultant to the Disabled American Veterans, Marsha Simon, who was a clerk on the Senate Appropriations subcommittee covering the departments

of Labor and Health and Human Services when they dramatically expanded advance appropriations back in the 1990s. It took some effort to explain the arcana of advance appropriations to the veterans advocates, but as the prospects for mandatory funding grew increasingly dim, veterans groups seized on Simon’s proposal. The Disabled American Veterans are now working with sympathetic lawmakers with an eye toward introducing legislation sometime this summer. “We will [still] take mandatory spending in a heartbeat if they enact it,” Bradley said, “but we’re trying to spread the word that this is the new direction.”

The House and Senate Budget committees are likely to be the first line of resistance. “We appropriate annually for a reason,” a staffer said. “We set priorities, and we make programs compete against each other annually. They would like not to have to compete.”

Appropriators are skeptical as well. “There’s 100 percent agreement with the veterans organizations that we must pass VA appropriations on a more timely basis,” said Rep. Chet Edwards, D-Texas, chairman of the House Appropriations Committee panel that covers the Veterans Affairs Department. “There may be honest differences on the means of getting there. The easiest, simplest, cleanest way to solve the problem is for us to start passing VA appropriations bills on time. If that proves to be an impossible task, we’ll just have to look at the other options.”

Democrats like to blame tardy appropriations on President Bush’s intransigence—but the delays began during the Clinton years. It is hard to ask veterans, or any constituency for that matter, to sit tight and have faith that Congress will get its act together soon.

“What this highlights is how dysfunctional the budget system has become,” said Robert Bixby, executive director of the Concord Coalition, “and I don’t blame them for looking for alternative ways.” But the more that programs sidestep the annual logjam by getting mandatory or advance funding, the worse the problem becomes overall—which only increases the pressure on Congress to create more special cases for special interests. “Because there’s a lot of attention on veterans these days, if anybody can do it, they might have the strongest case,” Bixby said. “But I think you’d find a lot of other folks coming out of the woodwork saying, ‘Hey, what about us?’” ■

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Gordon Johnson, Sheriff, Bergen County New Jersey (Ret.)

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