



Date: December 11, 2018

To: Federal Legislation Committee

From: Patrick H. West, City Manager *T.H.W.*

Subject: **Federal FY 2019 Budget Report**

Introduction

Federal funding touches nearly every aspect of local government. In Long Beach, a few examples of the City's use of federal funds include those allocated to Army Corps feasibility studies and navigation projects, supporting homeless assistance through grant funds from the Department of Housing and Urban Development, upholding urban safety through the Urban Area Security Initiative and ensuring public safety and national security by sustaining the State Homeland Security Grant Program. These and other sources of federal funding are provided through Congressional authorization each federal fiscal year.

The end of fiscal year (FY) 2018 was September 30, 2018. The current fiscal year, FY 19, began on October 1, 2018. This memorandum provides an overview of two minibuss appropriation bills that have been funded thus far to provide spending authority for the programs which they cover. HR 5895 details FY 19 appropriations for three (3) of the twelve (12) spending measures – Energy-Water, Military Construction and Veterans Affairs, and the Legislative Branch. Combined, these spending measures have been allocated \$147.5 billion in discretionary funding. HR 6157 details FY 19 appropriations for two (2) of the twelve (12) spending measures – Defense and Labor, Health and Human Services, Education, and Related Agencies. Combined, these spending measures have been allocated \$784.5 billion in discretionary funding which is 63% of the \$1.244 trillion limit for FY 19.

Process

Per the United States Constitution, the power of the purse is vested in Congress, as provided for in Article I, Section 9, Clause 7 (the Appropriations Clause) and Article I, Section 8, Clause 1 (the Taxing and Spending Clause). Spending bills originate in the House of Representatives. While the President of the United States presents his federal budget priorities to Congress annually, the President's budget does not direct federal spending.

Congress has elected to package several appropriations bills together in small multi-bill packages, called a minibuss packages after President Trump vowed to never sign on omnibus bill like the one adopted for the FY 18 budget, again. For FY 19, H.R. 5895 was signed into law by President Trump on September 21, 2018, and H.R. 6157 was signed on September 28, 2018.

H.R. 5895 includes funding for the following programs of interest to Long Beach. The majority of federal programmatic funding is distributed to states for implementation:

- \$35.7 billion for the Energy Department, including \$2.4 billion for the energy efficiency and renewable energy account;
- \$7.0 billion for the Army Corps of Engineers, which is an increase of \$172 million from FY 18;
- \$197.2 billion for the Veterans Affairs Department, an increase of \$11.8 billion from FY 18;
- \$4.8 billion for the Legislative Branch;
- \$98.1 billion for Military Construction and the Veterans Appropriations Act, an increase of \$5.3 billion; and
- \$8.8 million for Paid Internships for the first time at the Federal level.

While the legislation funds a number of key programs, the conference report decreases funding in these areas:

- \$6.0 billion for Veterans Affairs Medical Facilities, a decrease of \$213 million from FY 18;
- \$11.8 billion for Veterans Affairs readjustment benefits, a decrease of \$1.9 billion; and
- \$114.0 million for Arlington Cemeteries, a decrease of \$247 million.

Attached is a report from Dentons, the City's federal legislative advocates. This report contains additional information about spending that has been authorized by H.R. 5895.

HR 6157 Summary

HR 6157 includes funding for the following programs of interest to Long Beach:

- \$674.4 billion for the Defense Department, including \$606.5 billion for base discretionary spending and \$67.9 in Overseas Contingency Operations;
- \$180 billion for Labor, Health and Human Services, and Education, an increase of \$172 million from FY 18;
- \$71.5 billion for the Education Department, increases funding for Title I education grants by \$100 million and \$8.2 billion more than requested by the President; and
- \$90.5 billion for Health and Human Services, \$6.7 billion allotted to address substance abuse and mental health.

While the legislation funds a number of key programs, the budget will decrease funding in these areas:

- \$12.1 billion for the Labor Department, a decrease of \$94 million from FY 18;
- \$34.4 billion for Defense Health Care Programs, a decrease of \$464 million but \$278 million more than requested by the President;
- \$7.9 billion for the Centers for Disease Control and Prevention, a decrease of \$353 but \$2.3 billion more than requested; and
- \$205 million for Substance Abuse Prevention Programs, a decrease of \$43 million.

Attached is a report from Dentons, the City's federal legislative advocates. This report contains additional information about spending that has been authorized by HR 6157.

Next Steps

City staff will continue to monitor developments regarding development of the seven remaining federal appropriation bills.

If you have any questions, please contact Diana Tang, Manager of Government Affairs, at 562-570-6506.

cc: Mayor and Members of the City Council
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Attachments

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MEMORANDUM

To: Diana Tang
From: John R. Russell, IV and Darry Sragow
Date: September 18, 2018
Subject: Summary of HR 5895 - "Mini-Bus 1"

Executive Summary of HR 5895

This conference agreement provides full, detailed FY 2019 appropriations for three of the 12 annual spending measures — Energy-Water, Military Construction and Veterans Affairs, and Legislative Branch. Together they provide a total of \$147.5 billion in discretionary spending, including \$921 million in Overseas Contingency Operations (OCO) funding.

Energy & Water

The agreement provides a total of \$44.6 billion in appropriations subject to discretionary caps for FY 2019, \$1.4 billion (3.5%) more than the FY 2018 level and \$8.1 billion (22%) more than requested, according to appropriators.

According to the House Appropriations Committee, the measure provides \$22.4 billion for defense-related activities (\$600 million more than FY 2018), while providing \$22.2 billion for nondefense activities (\$800 million more).

Energy Department

Of the total, \$35.7 billion is for the Energy Department — \$1.2 billion (3%) more than the current level and \$5.5 billion (18%) more than requested. It provides \$11.1 billion for nuclear weapons activities (4% more than FY 2018), and \$1.9 billion for nuclear nonproliferation programs (3% less). A total of \$6.0 billion is provided for defense environmental cleanup activities, \$36 million more than current levels.

The Energy Department total also includes \$6.6 billion for science activities (5% more than FY 2018 and 22% more than requested) and \$1.3 billion for nuclear energy activities (10% more than FY 2018 and 75% more than requested). It also increases funding for core fossil fuel energy research and development programs and energy efficiency and renewable energy programs (both by 2%), for Advanced Research Projects Agency-Energy, (ARPA-E, by 4%), and for cleanup of civilian nuclear sites (by 4%).

Corps of Engineers & Other Agencies

For the Army Corps of Engineers it provides \$7.0 billion, \$172 million (2.5%) more than FY 2018 and \$2.2 billion (46%) more than requested. It also provides \$1.6 billion for activities of the Interior Department's Bureau of Reclamation (6% more than FY 2018 and 48% more than requested).

The agreement does not include controversial riders that were included in the House-passed bill, such as those that would repeal the Waters of the United States rule and allow guns to be carried on all Corps of Engineers lands. Also unlike the House bill, it includes no funding to continue efforts to restart work on the Yucca Mountain nuclear waste repository.

Military Construction & Veterans Affairs

The agreement provides a total \$98.1 billion in discretionary funding for FY 2019 including \$921 million in Overseas Contingency Operations (OCO) funding — \$5.3 billion more than comparable FY 2018 funding and \$1 billion more than requested.

It also provides \$110.7 billion in mandatory funding for veterans pensions and benefits, bringing total FY 2019 funding to \$208.8 billion, \$12.1 billion more than FY 2018. Most of the total available for FY 2019 represents advance appropriations from prior appropriations law; the measure also contains advance appropriations for FY 2020, including \$75.6 billion in discretionary spending and \$123.2 billion in mandatory spending.

Military Construction

For military construction, the measure provides a total of \$11.3 billion, including \$10.3 billion in base spending (\$241 million, or 2% more than FY 2018) and \$921 million in OCO funding — all but \$60 million of which is for the European Reassurance Initiative that began in response to Russia's actions in Ukraine and Crimea.

For non-OCO military construction, it provides 12% more than current funding for family housing, but 1% less for active-duty construction projects and 28% less for National Guard and Reserve unit construction.

VA Department

For the Veterans Affairs (VA) Department, it provides a total of \$197.2 billion — including \$110.7 billion in mandatory funding for veterans pensions and benefits and \$86.5 billion in discretionary funding for medical care and other activities (6% more than current discretionary funding). Total VA funding for FY 2019 is \$11.8 billion (6%) more than comparable FY 2018 funding.

For VA medical care it provides \$73.6 billion for FY 2019, \$3.0 billion (4%) more than comparable FY 2018 funding. Included in that total is \$9.4 billion for the medical community care account, which under the VA MISSION Act is being merged with the VA Choice Program to consolidate VA programs that provide medical care to veterans outside the VA's medical network (with the new program to be subject to discretionary caps). The total for existing VA community care programs includes an additional \$1 billion in discretionary funding added by conferees, but there is concern that when mandatory funding provided by the Choice program is exhausted next May the program will experience a funding shortfall.

As requested, the measure provides \$1.1 billion for the new VA electronic health record system (\$325 million more than FY 2018 funding), and it provides \$3.0 billion (\$87 million more than requested) for administrative costs of the Veterans Benefit Administration — with that additional funding to be used to help further reduce the disability claims backlog.

It provides \$1.1 billion for major VA construction and modernization of VA facilities (\$615 million more than FY 2018), and \$650 million (\$307 million more than 2018) for minor projects. And as called for by the February budget deal, it provides \$2 billion outside of the normal VA construction accounts for infrastructure improvements to VA facilities, including seismic corrections and non-recurring maintenance needs.

Legislative Branch

The agreement appropriates a total of \$4.8 billion for operations of the House of Representatives, Senate, joint House-Senate items and legislative branch entities such as the Capitol Police, Library of Congress, the Government Accountability Office (GAO) and the Government Printing Office (GPO).

The total is \$136 million (almost 3%) more than the FY 2018 level but \$140 million (3%) less than requested by the offices and agencies covered by the measure.

The measure increases funding for the U.S. Capitol Police by 7% to enhance security for members of Congress and the public in the wake of last year's shooting at a practice for the annual congressional baseball game. It also provides additional funds to finance mandatory annual sexual harassment training for House members and staff and to operate the new Office of Employee Advocacy created earlier this year.

For the first time, it provides dedicated funding for pay interns who work in House and Senate offices. But it continues the freeze on salaries of members of Congress, thereby preventing any pay increase for 2019.

In total, the measure increases funding for operations of the House of Representatives and Senate by 2%, the Architect of the Capitol by 3%, the Library of Congress by 4%, and the Office of Compliance (which oversees workplace safety and anti-harassment training and response) by 29%. It also increases funding for both GAO (4%) and the Congressional Research Service (5%) so they can hire additional staff, and increases funding for the U.S. Copyright Office by 30% to improve its technology. Finally, it eliminates allowances for former Speakers of the House.

Section II

Energy & Water

This section describes the provisions of the conference agreement on HR 5895, FY 2019 Energy and Water, Legislative Branch, and Military Construction and Veterans Affairs Appropriations Act, that provides funding for the Energy Department, Army Corps of Engineers, Bureau of Reclamation and related agencies.

The agreement provides a total of \$44.6 billion in appropriations subject to discretionary caps for FY 2019, \$1.4 billion (3.5%) more than the FY 2018 level and \$8.1 billion (22%) more than the administration's request, according to appropriators. On a programmatic basis, it provides a total of \$44.7 billion in funding, \$8.4 billion more than requested. According to the House Appropriations Committee, the measure provides \$22.4 billion for defense-related activities (\$600 million more than FY 2018), while providing \$22.2 billion for nondefense activities (\$800 million more).

Of the total, \$35.7 billion is for the Energy Department — \$1.2 billion (3%) more than the current level and \$5.5 billion (18%) more than requested. It provides \$11.1 billion for nuclear weapons activities (4% more than FY 2018), and \$1.9 billion for nuclear nonproliferation activities (3% less). A total of \$6.0 billion is provided for defense environmental cleanup activities, \$36 million more than current levels.

The Energy Department total also includes \$6.6 billion for science activities (5% more than FY 2018 and 22% more than requested) and \$1.3 billion for nuclear energy activities (10% more than FY 2018 and 75% more than requested). It also increases funding for core fossil fuel energy research and development programs (by 2%), funding for energy efficiency and renewable energy programs (by 2%), Advanced Research Projects Agency-Energy, ARPA-E (by 4%), and cleanup of civilian nuclear sites (by 4%).

For the Army Corps of Engineers it provides \$7.0 billion, \$172 million (2.5%) more than FY 2018 and \$2.2 billion (46%) more than requested. It also provides \$1.6 billion for activities of the Interior Department's Bureau of Reclamation (6% more than FY 2018 and 48% more than requested). The agreement does not include controversial riders that were included in the House-passed bill, such as those that would repeal the Waters of the United States rule and allow guns to be carried on all Corps of Engineers lands. Also unlike the House bill, it includes no funding to continue efforts to restart work on the Yucca Mountain nuclear waste repository.

Army Corps of Engineers

The Army Corps of Engineers is responsible for civil flood control, navigation and ecosystem restoration projects. The committee notes that in addition to building and maintaining flood protection infrastructure that prevent's almost \$9 in damage for every dollar spent, the corps maintains 1,067 harbors and 25,000 miles of commercial channels serving 40 states, which is critical to U.S. commerce and international economic competitiveness.

The measure provides \$7.0 billion for Corps operations, investigations and construction — \$172 million (2.5%) more than FY 2018 and \$2.2 billion (46%) more than requested.

Appropriators note that an estimated \$1.6 billion of the Corps' activities under the agreement are eligible for reimbursement from the Harbor Maintenance Trust Fund (\$200 million more than 2018 and \$635 million more than requested), and that the agreement makes use of all estimated annual revenues from the Inland Waterways Trust Fund.

In their statement of managers, conferees express concern about recent changes in the way funds are apportioned under a continuing resolution. They say that artificially limiting the Corps' flexibility to fund the highest priority projects when the agency is funded by a continuing resolution creates demarcations between monies from the Harbor Maintenance Trust Fund, the Inland Waterways Trust Fund, and the general fund which impede the efficient and effective implementation of the Civil Works program. They

say the previous policy on funding apportionments under a continuing resolution, which provides maximum flexibility, should be restored.

Conferees also expressed opposition to the administration's proposed reorganization of the corps, under which the civil works program would be removed from the Defense Department with navigation responsibilities transferred to the Transportation Department and flood control and ecosystem management activities transferred to the Interior Department. They say an action of that "magnitude ... crosses multiple jurisdictional lines and has far-reaching consequences" and would require legislation to implement, but was never discussed with lawmakers or submitted to Congress for oversight and hearings. Conferees therefore prohibit the use of funds for the administration to implement the proposal.

Operations & Maintenance

The Operations and Maintenance account provides funding for the Corps to clear and maintain U.S. harbors and inland waterways, including through dredging, and to operate and maintain lock and dam facilities around the country.

The agreement provides \$3.7 billion for Corps waterway operations and maintenance for hundreds of specified projects, \$110 million (3%) more than FY 2018 and \$1.7 billion (80%) more than requested.

Conferees note that the Corps is the nation's largest producer of hydropower, and that in some communities it works with non-federal partners to provide reliable and affordable energy for the surrounding community. They therefore encourage the Corps to review options for expanded non-federal hydropower at appropriate sites throughout the nation.

Water Project Construction

The measure provides general construction funding for projects relating to navigation, flood and storm damage mitigation and aquatic ecosystem restoration that have been authorized by Congress and approved by the Corps, and are identified in the statement of managers report.

Specifically, it provides \$2.2 billion for general water project construction, \$98 million (5%) more than FY 2018 funding and \$1.3 billion (150%) more than the request.

Separately, the measure also provides \$368 million for specified Mississippi River waterway-related projects, 23% less than FY 2018 but \$123 million (50%) more than requested.

Other Corps' Activities

The agreement provides \$200 million for the Corps regulatory program, which oversees activities affecting U.S. waters, including wetlands, in accordance with various laws — such as the 1899 Rivers and Harbors Appropriation Act, the Clean Water Act, and the 1972 Marine Protection, Research, and Sanctuaries Act. The amount provided is equal to both FY 2018 and the request.

It appropriates \$150 million for the continued cleanup of certain low-level radioactive materials and mixed wastes at Energy Department sites that were contaminated during the nation's past efforts to

develop atomic weapons. The amount provided is 8% more than current funding and 25% more than requested.

Finally, it also provides \$125 million for general investigations, under which the Corps conducts studies to determine the feasibility of constructing a water project (2% more than FY 2018 and 52% more than requested), and \$35 million for training programs to prepare for and respond to floods, hurricanes and other natural disasters (equal to FY 2018 but 30% more than requested).

Policy Provisions

The measure does not include House provisions to alter the Corps and EPA rule used to determine the jurisdiction of bodies of water under the Clean Water Act (the so-called "Waters of the United States rule").

Nor does it contain other controversial riders that were included in the House-passed version of the bill, including those that would prohibit the use of funds to develop or implement changes to certain definitions related to the definition of fill material or discharge of fill material under the Clean Water Act, bar the use of funds to implement the National Ocean Policy developed under an executive order issued by President Obama in 2010, and allow guns to be carried on all Corps of Engineers lands.

It also does not include House language that would have effectively overturned certain court decisions under which the Bureau of Reclamation and Corps of Engineers was directed to release additional water from hydroelectric dams on the Columbia and Snake rivers in the Pacific northwest to benefit salmon runs. However, the statement of managers notes that many conferees have "grave concerns about judicial interference" with regard to the operation of those dams, stating that the water spill plan that was overruled by a court in 2016 had been "painstakingly negotiated by scientists and engineering experts at federal agencies under the Bush and Obama Administrations," and that the court's decision affected states, sovereign Native American tribes and local stakeholders and could threaten the reliability of the federal power and transmission systems and adversely impact barging, flood control and irrigation systems.

Energy Department

The agreement provides a total of \$35.7 billion for the Energy Department — \$1.2 billion (3%) more than FY 2018 funding and \$5.5 billion (18%) more than requested.

Within the total provided for the department, almost half (\$15.2 billion) is for nuclear weapons activities conducted by the National Nuclear Security Administration (NNSA) — including nuclear weapons management and development, nonproliferation activities, and research on naval nuclear reactors. Another \$6.0 billion is for continued environmental cleanup of defense facilities where nuclear weapons activities were conducted.

For non-defense science and energy programs conducted by the department, it provides \$13.4 billion, including \$1.1 billion for environmental clean-up activities at non-defense nuclear facilities — bringing total environmental cleanup funding to \$7.2 billion.

The measure increases funding for nuclear weapons activities while reducing funding for nonproliferation activities. And it rejects the deep cuts proposed by the president (and to a lesser extent by the House) to science and applied energy programs, in most cases providing funding increases.

DOE Military Nuclear Programs

The National Nuclear Security Administration (NNSA) is a semiautonomous agency within the Energy Department that is responsible for the development, maintenance and disposal of U.S. nuclear weapons, and for preventing the proliferation of weapons of mass destruction. NNSA accounts include weapons activities, defense-oriented nuclear proliferation and naval reactors.

The measure appropriates a total of \$15.2 billion for NNSA programs for FY 2019 — \$560 million (4%) more than FY 2018 and \$137 million (1%) more than requested.

Weapons Activities

Within that total, the measure provides \$11.1 billion for programs that maintain and refurbish nuclear weapons to ensure the safety, security, reliability and performance of the nation's nuclear stockpile. The amount provided is \$458 million (4%) more than FY 2018 program funding and \$83 million (1%) more than the request.

That funding includes \$4.7 billion for directed stockpile work on weapons in the current nuclear stockpile — \$648 million (16%) more than current funding but \$8 million less than requested — including \$1.9 billion for nuclear warhead life extension and modification programs.

Specific funding includes \$794 million (1% more than FY 2018) for the life extension program for the B61 warhead, which is generally carried on aircraft; \$655 million (64% more than 2018) for the life extension program for the W80-4, which is intended to be carried on a new generation of cruise missiles; and \$304 million (8% more than 2018) for the alteration program to update the W88 warhead (which is carried on submarine ballistic missiles).

As requested, it provides \$65 million to work on modifying the W76 warhead, which is also carried on submarine ballistic missiles, to produce a low-yield nuclear warhead (the W76-2, with a 6.5 kiloton yield rather than a 100 kiloton yield). Conferees in their statement of managers explicitly direct NNSA to comply with directives included in the House committee report with regard to the W76-2. That report requires the NNSA to report to Congress, within 30 days of enactment, on its plan, rationale, costs, and implications of producing a low-yield variant of the W76 warhead. The report must detail the military requirements associated with such a low-yield warhead, and specify cost and schedule estimates for the engineering and subsequent phases as well as estimated long-term maintenance costs and the impact of the modification program on other current or planned warhead programs.

The House report also expresses concern that the NNSA is proceeding with "a premature decision" to replace the W78 with an interoperable warhead based on a stockpile strategy that was not endorsed in the Administration's Nuclear Posture Review. It therefore requires the agency to report to Congress on the rationale for an insensitive-high explosive (IHE)-based system, an updated estimate of the cost and schedule for warhead development and production, and a rough order of magnitude cost and schedule comparison of the differences between the requested IW and a W76 LEP-like refurbishment of the W78.

Other major elements of the NNSA's nuclear weapons program includes \$2.0 billion for NNSA nuclear weapon research and development activities (slightly less than FY 2018 but 1% more than requested), and \$3.1 billion for nuclear weapons infrastructure and operations (1% less than FY 2018 but \$85 million, or 3%, more than requested) — including \$559 million for modernizing (recapitalizing) the nation's nuclear weapons infrastructure, \$184 million (3%) more than requested.

Nuclear Nonproliferation Programs

Nonproliferation programs seek to prohibit the development and spread of nuclear weapons worldwide. Some of these programs are designed specifically to secure and decommission weaponry and technology of the former Soviet Union.

The agreement appropriates \$1.9 billion for Defense nuclear nonproliferation activities, \$69 million (3%) less than FY 2018 funding but \$68 million (4%) more than requested. As with the FY 2018 Energy-Water Appropriations law, it includes no new funds to enter into contracts with Russia in FY 2019.

Within the total, the measure provides \$220 million to continue the current pace of construction on the Mixed Oxide (MOX) Fuel Fabrication Facility in South Carolina, matching the authorized level in the National Defense Authorization Act for Fiscal 2019 (PL 115-232). The amount provided is \$115 million less than the current level, but equal to the request.

The MOX facility has been under construction to help fulfill a 2000 agreement with Russia to dispose of 34 tons of weapons-grade plutonium by blending it with uranium oxide to produce a "mixed oxide" that is not suitable for nuclear weapons. The project, however, has experienced severe delays and cost overruns. The FY 2018 Defense Authorization allows the Energy secretary to waive existing construction requirements if the department commits to removing from South Carolina the plutonium intended to be disposed of at the MOX facility, ensures a sustainable future for the Savannah River site, and submits to Congress a certification that an alternative option for disposing of the same amount of plutonium exists, with the lifecycle cost for that option being less than half the remaining lifecycle cost of the MOX program.

The total for non-proliferation also includes \$407 million for global material security programs and activities (4% more than current funding and 21% more than requested), the requested \$130 million for nonproliferation and arms control activities (4% less than 2018), \$576 million for defense nuclear nonproliferation research and development (3% more than 2018 and 26% more than requested), \$294 million for material management and minimization (5% less than 2018 and 26% less than requested), and the requested \$319 million for the department's nuclear counterterrorism and incident response program that responds to and mitigates nuclear and radiological incidents worldwide (13% more than FY 2018).

Naval Reactors

The measure provides \$1.8 billion for the agency's naval reactor program, \$169 million (10%) more than FY 2018 but equal to the request. The department's naval reactor program is responsible for all aspects of naval nuclear propulsion, including technology development, reactor operations, and ultimately disposal.

The total includes \$515 million for naval reactors development (9% more than FY 2018), \$526 million for reactor operations and infrastructure (13% more than FY 2018), and \$287 million for the department's spent nuclear fuel handling recapitalization project (46% more than FY 2018). All of these amounts are equal to the request.

Other Defense Activities

The measure provides \$860 million for activities by various associated Energy Department offices — including the Office of Environment, Health, Safety and Security (\$203 million); the Office of Independent Enterprise Assessments (\$77 million); the Office of Legacy Management (\$159 million); Defense Related Administrative Support (\$152 million); and for specialized security activities (\$266 million). The total provided for these various offices is \$20 million (2%) more than FY 2018 and \$7 million (1%) more than requested.

The Office of Nuclear Safety is directed to continue its research into developing an advanced simulation tool that can more realistically predict the nonlinear response of critical nuclear facilities during earthquakes. The committee notes that with many mission-critical facilities in seismically active regions, that research is of vital interest.

DOE Environmental Cleanup Activities

The agreement provides a total of \$7.2 billion for a variety of Energy Department programs focused on environmental cleanup of both former government sites as well as civilian nuclear sites. The total provided is \$23 million more than current funding and \$578 million (9%) more than requested, according to appropriators.

The largest portion, \$6.0 billion, is for the general defense environmental cleanup program, which focuses on the cleanup of contaminated areas, primarily at current and former Defense Department sites. That funding, which includes a \$5 million rescission from the Hexavalent Chromium Pump and Treatment Facility project, is \$36 million more than FY 2018 and \$394 million (7%) more than requested.

Within that amount, it provides \$2.3 billion for cleanup activities in and around the Hanford site in Washington state (\$865 million for the Richlands Operations Office and \$1.6 billion for the Office of River Protection), \$1.4 billion for the Savannah River site in South Carolina, \$433 million for the Idaho National Laboratory, \$324 million for various National Laboratories and associated facilities, \$410 million for the Oak Ridge Tennessee facility, and \$397 million for the Waste Isolation Pilot Plant in New Mexico.

It also provides \$310 million for the cleanup and remediation of civilian nuclear sites (4% more the FY 2018 level but 42% more than requested) and \$841 million (\$1 million more than FY 2018 and \$88 million more than requested) from the Uranium Enrichment Decontamination and Decommissioning Fund for the continued cleanup of non-defense gaseous diffusion plants at Portsmouth, Ohio; Paducah, Ky.; and Oak Ridge, Tenn.

DOE Energy Programs

The measure includes a total of \$13.5 billion for a variety of energy programs conducted by the Energy Department. That total is \$554 million (4%) more than FY 2018 and \$5.0 billion (58%) more than requested.

It rejects the administration's request to eliminate funding for the Advanced Research Projects Agency-Energy (ARPA-E) research program and instead provides \$366 million for the program; that figure is also \$13 million (4%) more than FY 2018. ARPA-E supports research and related projects attempting to rapidly develop energy technologies that are too risky to attract substantial private investment but are capable of significantly changing the energy sector to address energy-related economic and security challenges. ARPA-E support is usually provided through partnerships with universities, supplying personnel and assisting in project and research funding.

Science

The measure provides \$6.6 billion for the Energy Department's science account — \$325 million (5%) more than FY 2018 and \$1.2 billion (22%) more than requested. The account funds the department's work on basic energy research, nuclear physics, biological and environmental sciences, fusion and other related endeavors.

The total includes \$936 million for research on advanced scientific computing, including \$233 million for the Exascale Computing Initiative. Exascale computers would exceed the existing generation of supercomputing power by 10,000% and provide computing power necessary to meet future national security, scientific and health care needs. The total provided for advanced computing research is \$126 million (15%) more than current funding and 4% more than requested.

The bill's science research funding also includes \$2.2 billion for basic energy sciences (4% more than FY 2018 and \$316 million [17%] more than requested); \$980 million for high energy physics (8% more than 2018 and \$210 million [27%] more than requested); \$690 million for nuclear physics (1% more than 2018 and 15% more than requested); \$564 million for fusion energy sciences (6% more than 2018 and 66% more than requested); \$233 million for science laboratories infrastructure (10% less than 2018, but 84% more than requested); and \$705 million for biological and environmental research (5% more than FY 2018 and 41% more than requested).

Energy Efficiency & Renewable Energy

The measure provides \$2.4 billion for the Energy Department's energy efficiency and renewable-energy account — \$57 million (2%) more than the FY 2018 total and \$1.7 billion more than the request. It allows the department to use \$20 million to bring cybersecurity into early-stage technology research and development so that it is built into new technology for this effort to encompass all these programs.

Within the total, it provides \$528 million for renewable energy programs, 1.5% more than FY 2018 but more than triple the request. Among the programs (all of which are equal to FY 2018 except for solar and geothermal, which would be increased), it provides \$247 million for solar energy, \$92 million for wind energy, \$105 million for water power, and \$84 million for geothermal technologies. All of the amounts provided are more than double the administration's requests, with solar receiving five times more than requested.

Sustainable transportation programs would receive \$690 million, 2% more than FY 2018 but more than three times the level requested. Funding includes \$344 million for vehicle technologies, \$226 million for bioenergy technologies, and \$120 million for hydrogen and fuel cell technologies.

For energy efficiency programs, the agreement rejects the administration's proposal to eliminate funding for weatherization assistance programs and state energy program grants, providing \$257 million for weatherization aid (\$6 million more than the FY 2018 level) and \$55 million for state energy grants (equal to 2018). It also provides \$320 million for advanced manufacturing programs (5% more than 2018 and more than four times the request) and \$226 million for building technologies research (\$5 million more than 2018 and almost four times the request).

Fossil Fuels

The measure provides \$740 million for research and development of fossil fuels, including ways to make the use of such fuels more efficient and sustainable. The total is \$13 million (2%) more than FY 2018 and \$238 million (47%) more than requested.

Within the total, the largest increase (\$18 million, or 16%) would be provided to Advanced Energy Systems, which would receive \$130 million (\$5 million less than requested). Coal research and development by National Energy Technology laboratories would be increased by \$1 million to \$54 million (17% less than requested).

The measure rejects the administration's proposal to terminate funding for two large-scale pilot projects intended to focus on transformational coal technologies, providing \$25 million (\$10 million less than 2018) to continue the projects. It also rejects the administration's proposal significantly cut carbon storage research and carbon capture research, instead keeping funding at the current levels of \$98 million and \$101 million respectively. The administration requested only \$20 million for each program.

Electricity Transmission & Distribution / Cybersecurity

The Energy Department's Office of Electricity Delivery and Energy Reliability oversees research on the security and reliability of energy infrastructure and leads federal efforts to overhaul the national electricity grid, including through "smart grid" research programs.

The agreement restructures program accounts, as requested by the administration, and provides \$156 million for the electricity delivery program — \$95 million more than requested. Of that total, the measure provides \$46 million for energy storage activities (almost six times the request), \$40 million for resilient distribution system (four times the request), and \$39 million for transmission reliability (triple the request).

As part of this restructuring, it establishes a new, separate line-item for Cybersecurity, Energy Security, and Emergency Response (CESER) — which is to fund department efforts to protect the nation's energy infrastructure, particularly the electric grid, against cyberattacks and extreme weather events, and help restore the grid after any such events. The measure provides \$120 million for those activities for FY 2019 (25% more than requested), with \$90 million to be used for cybersecurity activities. Conferees direct the department to use \$10 million of the funding for the DarkNet project to explore opportunities for getting the nation's critical infrastructure off the internet and shielding the nation's electricity infrastructure from disruptive cyber penetration.

Nuclear Energy

The measure provides \$1.3 billion for nuclear power development and research, \$121 million (10%) more than FY 2018 funding and \$569 million (75%) more than requested. Nuclear energy funding includes multiple programs, such as spacecraft propulsion systems, cancer treatment technology and reactor technologies.

The total includes \$753 million for research and development activities, 13% more than FY 2018 and \$412 million (120%) more than requested — including \$264 million for Fuel Cycle Research (1.5% more than 2018 and \$204 million more than requested) and \$324 million for reactor concept research (36% more than 2018 and \$161 million more than requested).

Strategic Petroleum Reserve

The Strategic Petroleum Reserve (SPR) is an emergency oil supply located in Texas and Louisiana that contains light, sweet crude oil. The reserve was created after the oil embargo of 1973 and 1974 and is intended to provide the federal government with an emergency oil supply during a disruption in commercial oil supplies.

The measure appropriates \$235 million for continued operations and maintenance of the Strategic Petroleum Reserve, \$17 million (7%) less than FY 2018 funding but 34% more than requested for SPR operations.

It also requires the department to sell \$300 million worth of oil from the SPR and to deposit the proceeds into the Energy Security and Infrastructure Modernization Fund to finance improvements to SPR infrastructure. The 2015 Bipartisan Budget Act (PL 114-74) authorized the sale of up to \$2 billion of oil from the SPR through FY 2020 for use in modernizing the SPR and its infrastructure. The agreement appropriates \$10 million to cover the costs of that required oil sale. (The administration proposed to retain the oil sale proceeds, and not use them for SPR infrastructure.)

Finally, the measure separately provides \$10 million for remaining activities related to naval petroleum and oil shale reserves, as well as \$10 million for the Northeast Home Heating Oil Reserve. The heating oil reserve is intended to ensure that home heating oil supplies are available for northeastern states during times of very low inventories or significant threats to heating oil supplies.

Other DOE Activities

The measure provides \$125 million for the Energy Information Agency, a quasi-independent agency in the Energy Department responsible for providing timely, objective, and accurate energy-related information to Congress, the executive branch, state governments, industry, and the public. The amount provided is equal to current funding and 9% more than requested.

It also provides \$262 million for administrative expenses of the Energy Department, 12.5% less than current funding but \$26 million (11%) more than requested. After miscellaneous revenues and funding from other defense activities are factored in, the measure provides a net appropriation of \$166 million.

The agreement consolidates cybersecurity funding under the Office of the Chief Information Officer. It includes \$132 million, including \$97 million as requested within Departmental Administration and \$35 million as requested for CyberOne activities within the department's working capital fund. Within this amount, at least \$72 million must be used for cybersecurity and secure information.

Power Marketing Administrations

The measure provides the requested \$100 million in net funding for regional power marketing administrations, \$5 million less than FY 2018.

The total includes a net \$89 million in funding for the Western Area Power Administration (WAPA) that serves 15 states, and a net \$10 million for the Southwestern Power Administration (SPA) that serves six states — where all but those amounts for each power administration's operations and maintenance budget would be covered through power sales and other income. (The agreement allows \$835 million in actual spending by the WAPA and \$127 million in spending by the SPA.) In the case of the Southeastern Power Administration, which serves 11 states, power sales and other revenue would cover its entire \$75 million budget.

Bureau of Reclamation

The Bureau of Reclamation is charged with developing water supplies and reclaiming arid lands in the Western United States. The bureau, which is part of the Interior Department, is responsible for 475 dams and 337 reservoirs, supplying water to 31 million people and 10 million acres of farmland in 17 western states. It also supplies hydroelectric power, and is the second largest supplier of hydropower behind the Army Corps of Engineers.

The measure provides \$1.6 billion for activities of the Bureau of Reclamation, \$85 million (6%) more than FY 2018 and \$508 million (48%) more than requested.

Most of that total, \$1.4 billion, is for activities that support the development, construction, management and restoration of water and related natural resources. That amount is \$60 million (4%) more than current funding and 56% more than requested.

Central Valley Project Restoration Fund

The measure provides the administration's requested \$62 million for the Central Valley Project Restoration Fund, \$21 million (50%) more than current levels.

The fund was established to provide money from project beneficiaries for habitat restoration, improvement and acquisition in the Central Valley Project area in California, and funds are derived from a collection of revenue sources, including voluntary water transfers and tiered water pricing, as well as mitigation and restoration payment collections.

California Bay-Delta Ecosystem Restoration

The agreement provides \$35 million for the California Bay-Delta Ecosystem Restoration account, which funds the federal share of restoration activities being developed for the San Francisco

Bay/Sacramento-San Joaquin Delta by a federal-state partnership. The total is \$2 million less than current funding but equal to the request.

It also provides a separate \$21 million directly to Reclamation's Upper Colorado River Basin Fund to carry out environmental stewardship and endangered species recovery efforts.

Central Utah Project

The measure appropriates \$15 million for continued work on the Central Utah Project, a large Interior Department water infrastructure project designed to provide irrigation and municipal water and to restore wildlife habitats. The amount provided is \$5 million more than FY 2018 and \$7 million more than requested.

Yucca Mountain & Spent Nuclear Fuel

Under the 1982 Nuclear Waste Policy Act, the Energy Department was required to remove spent nuclear fuel from commercial nuclear power plants, in exchange for a fee, and transport it to a permanent geologic repository beginning Jan. 31, 1998. Congress in 1987 designated Yucca Mountain, Nev., as the sole candidate site for the repository by terminating site-specific activities at all other sites, and in 2002 Congress enacted legislation approving Yucca as the national nuclear repository after the Energy Department determined it was a suitable location for that purpose.

The Obama administration sought to terminate the Yucca licensing process and find other alternatives, however. Several states subsequently filed lawsuits to continue work on Yucca, and in response to a court decision the Nuclear Regulatory Commission (NRC) in 2015 completed a Safety Evaluation Report that concluded the department's Yucca Mountain repository design would comply with safety and environmental standards after being permanently sealed. The report also recommended that NRC should not authorize further construction of the repository until all land and water rights requirements were met and a supplement to the Energy Department's environmental impact statement was completed.

House Republicans since that time have sought to restart the licensing process, and the House bill included \$268 million (\$100 million more than requested) to continue those efforts. The House bill also included language that prohibited the use of funds to close the Yucca Mountain license application process, or for actions that would remove the possibility that Yucca Mountain might be an option in the future. The Senate bill, meanwhile, provided no funds for Yucca but did include \$10 million for the Energy Department to establish a pilot program to contract with private companies for the management of spent nuclear fuel on an interim basis.

The agreement includes no funding for the Yucca Mountain Waste Repository in Nevada or language addressing Yucca, nor does it include any funding for interim storage of spent nuclear fuel.

Despite the lack of any actionable plan for managing of nuclear waste, conferees say they remain concerned about spent nuclear fuel being stored around the country before a permanent repository facility can be completed. They note that prior to the closing of nuclear power plants, the onsite storage of spent nuclear fuel can affect the location's potential for redevelopment. Conferees therefore direct the Energy Department to report to Congress on existing public and private resources for mitigation in

areas where a nuclear power plant that stores nuclear waste within its boundaries has been decommissioned, is in the process of being decommissioned, or plans to shut down within three years.

Independent Agencies

Nuclear Regulatory Commission

The measure provides \$898 million for salaries and expenses of the Nuclear Regulatory Commission (NRC), \$11 million (1%) less than FY 2018 funding and \$597 million (6%) less than the request. Most of the commission's funding, however, would be offset by receipts from user fees paid by nuclear utilities and other entities regulated by the commission. It is assumed that the commission would receive \$794 million from such receipts, resulting in a net appropriation of \$128 million.

The NRC's inspector general, meanwhile, would receive \$13 million, all but \$2 million of which would be offset by agency revenues.

Federal Energy Regulatory Commission

The measure provides the requested \$370 million for the Federal Energy Regulatory Commission, \$2 million more than FY 2018. All of the commission's funding would be offset by fees paid by regulated energy companies and providers, resulting in no net appropriation.

Other Offices & Regional Commissions

The measure appropriates \$165 million for the Appalachian Regional Commission, \$10 million (6%) more than FY 2018 and \$13 million more than requested.

It rejects administration proposals to sharply reduce funding for several other commissions. Specifically, it provides \$25 million for the Delta Regional Authority (equal to FY 2018 but 10 times the request) and \$15 million for the Denali Commission (50% less than FY 2018 but double the request). For the Northern Border Regional Commission, it provides \$20 million (33% more than FY 2018; the administration requested \$850,000).

The measure also provides \$31 million for the Defense Nuclear Facilities Safety Board, equal to FY 2018 but 1% less than requested.

Section III

Military Construction & Veterans Affairs

This section describes the provisions of the conference agreement on HR 5895, FY 2019 Energy and Water, Legislative Branch, and Military Construction and Veterans Affairs Appropriations Act, that provide funding for military construction activities and for programs and activity of the Veterans Affairs (VA) Department.

The agreement provides a total \$98.1 billion in discretionary funding for FY 2019 including \$921 million in Overseas Contingency Operations (OCO) funding — \$5.3 billion more than comparable FY

2018 funding and \$1.1 billion more than requested by the president, according to appropriators. It also provides \$110.7 billion in mandatory funding for veterans pensions and benefits for FY 2019 — bringing total FY 2019 funding to \$208.8 billion, \$12.1 billion more than FY 2018.

The total funding available for FY 2019 includes \$178.4 billion in advance VA appropriations for FY 2019 provided by prior-year appropriations laws; the agreement includes \$198.7 billion in advance VA appropriations for FY 2020.

For FY 2019, the measure provides a total of \$10.3 billion for base military construction activities, \$241 million (2%) more than the comparable FY 2018 level, plus an additional \$921 million in OCO funding. The OCO funding does not include \$69 million requested by the president to build a new high-value detention facility at Guantanamo Bay, Cuba.

For the VA for FY 2019, it provides a total of \$197.2 billion — including \$86.5 billion in discretionary funding and \$110.7 billion in mandatory spending. The discretionary total is \$5.0 billion (6%) more than FY 2018 funding and \$1.1 billion more than the administration's request. A total of \$72.3 billion would be provided for medical care for an estimated 7 million veterans.

The measure includes an additional \$1.75 billion in discretionary funding for the provision of health care to veterans through existing programs, including \$1 billion that could be used to help cover costs as VA community care programs that provide health care to veterans outside of the VA's health network are merged with the VA Choice Act into a consolidated program beginning May 2019, as required by the VA MISSION Act (PL 115-182). And as called for by the February budget deal, it also provides \$2 billion outside of the normal VA construction accounts for infrastructure improvements to VA facilities, including seismic corrections and non-recurring maintenance needs.

Military Construction

The agreement provides a net total of \$10.3 billion for non-OCO military construction spending in FY 2019, \$241 million (2%) more than the 2018 level but \$131 million (1%) less than the administration's request. The net total factors in \$84 million in rescissions.

Separately, it also provides \$921 million in OCO funding, all but \$60 million of which is for construction associated with the European Reassurance Initiative; a total of \$750 million in OCO funding for various activities was provided for FY 2018. (For FY 2018, Congress also provided \$921 million in emergency military construction funding, primarily in response to last year's hurricanes.)

Military construction accounts provide funds for new construction, construction improvements, planning and design, and host nation support. Projects funded by these accounts include facilities for operations, training, maintenance, research and development, supply, medical care and force protection, as well as unaccompanied housing, utilities infrastructure and land acquisition.

The measure provides 1% less than 2018 funding for active-duty construction projects and 60% less for National Guard and Reserve unit construction — but 12% more for family housing.

Core Military Construction

The agreement appropriates \$8.1 billion for core military construction activities, \$776 million (9%) less than the 2018 level and \$770 million (9%) less than requested.

The conferees note that under Defensewide military construction the agreement provide \$193 million for the Energy Resilience and Conservation Investment Program, \$43 million more than the budget request, in order to fund the top six unfunded requirements of the program for energy resilience. In addition, \$5 million from the Defensewide planning and design account is specifically for this program.

The House committee in its report urged the Defense Department to take drought, flooding, weather and sea level rise into account when planning infrastructure. It directs the department to work with the Transportation Department around bases that have experienced flooding to ensure defense access roads will be available, and encourages to prioritize the construction of training facilities at joint military bases so as to facilitate training on base rather than depending on the surrounding communities.

Active-Duty Units

Within the total for core military construction, the agreement provides \$7.1 billion for construction activities for the active military services, \$103 million (1%) less than the 2018 level and \$843 million (11%) less than requested. Funding would be provided as follows:

- Army — \$1.0 billion, \$98 million more (11%) than the 2018 level and \$10 million (1%) more than requested. In its report, the House committee directs the Army to review its aircraft hangars and develop a plan to update these facilities. It also directs to Army to report on how it will address the backlog of infrastructure requirements for rapid deployment units and to provide a cost estimate for modernizing base access. Conferees reiterate the Senate committee's direction to continue clean up at the Sunflower Army and Badger Army ammunition plants.
- Navy and Marine Corps — \$2.1 billion, \$565 million (36%) more than the 2018 level (excluding emergency funding) but \$425 million (17%) less than requested. The House committee directs the Navy and Marine Corps to provide Congress with a detailed timeline and cost analysis towards the construction of F-35 hangars appropriate to these aircraft.
- Air Force — \$1.4 billion, \$103 million (7%) less than 2018 funding and \$285 million (17%) less than requested. The House committee urges the Air Force to prioritize funding for air traffic control towers, which it believes have fallen into neglect. The conferees reiterate the Senate committee's direction for a report on the cancelled runway at Little Rock Air Force Base, including why the contract was cancelled and how much of the project is salvageable.
- Defensewide — \$2.6 billion, \$261 million (9%) less than 2018 funding (excluding emergency funding) and \$143 million (5%) less than requested. The House committee directs the department to report on locations where severe traffic congestion and insufficient parking may have a detrimental impact on national security and how it will mitigate this impact.

Guard & Reserve Projects

The agreement provides a total of \$465 million for construction activities for National Guard and Reserve components, \$180 million less (28%) than 2018 funding (excluding emergency funding) and \$2 million less than the request.

Specifically, it provides \$190 million for the Army National Guard (\$31 million, or 14%, less than the FY 2018 level, but 6% more than requested); \$129 million for the Air National Guard (25% less than 2018 but equal to the request); \$65 million for the Army Reserve (23% less than 2018 but equal to the request); \$43 million for the Navy Reserve (55% less than 2018 but equal to the request); and \$38 million for the Air Force Reserve (47% less than 2018 but equal to the request).

As it has in previous years, the House committee in its report encourages the Army National Guard and the Air National Guard to help reinforce border security by exploring private-public partnerships to construct facilities adjacent to the southwestern border to support defense assets used by Customs and Border Protection, including aircraft hangars for unmanned aerial systems. It also requires the Defense Department develop a plan to update unsafe and antiquated Air Force Reserve hangars.

Funding for Unrequested Projects

The agreement provides a total of \$593 million for military construction projects that were not included in the president's request, but are part of each military service's "unfunded priority list" for FY 2019. In each case, the projects would have to be specifically authorized by Congress before project funding could be obligated, and the funds would remain available through FY 2023.

Specifically, for the active-duty military it provides the following: \$94 million for Army projects, \$197 million for Navy and Marine Corps projects, and \$118 million for Air Force projects. For the Guard and Reserves it provides \$85 million for the Air Force Reserve, \$54 million for the Air National Guard, \$23 million for the Army Reserve, and \$22 million for the Army National Guard.

Force Protection & Safety Projects

It also includes \$100 million in unrequested funding for projects that will enhance the protection and safety of U.S. forces at U.S. military installations — including by addressing security shortfalls at base access points and improving military air traffic control towers and base fire stations.

Under the measure, \$50 million would be provided each to the Air Force and Navy/Marines, but the funding could not be obligated until Congress authorizes the specific projects. Funds would remain available through FY 2023. The agreement requires each military department, within 30 days of enactment, to submit to Congress a plan for spending those funds.

The conferees direct the Defense Department to provide a full report regarding cell site simulators detected near defense facilities in the last three years, as well as actions taken to protect department personnel, their families and facilities from foreign powers using such technology to conduct surveillance. (Cell site simulators masquerade as legitimate cell phone towers and send out a signal that forces all nearby mobile phones and other cellular data to connect to it.)

The agreement also provides \$30 million to complete the defense access roads for Arlington National Cemetery.

Family Housing

The agreement appropriates a total of \$1.6 billion for family and military personnel housing, \$173 million (12%) more than 2018 but equal to the request.

Family housing construction accounts provide funds for new construction, construction improvements, the federal government's costs for family housing privatization projects, and planning and design. The operation and maintenance accounts provide funds to pay for maintenance and repair, furnishings, management, services, utilities, leasing, interest, mortgage insurance and miscellaneous expenses.

Conferees direct the Defense Department inspector general to report to Congress on toxic lead levels at military housing on all installations, including privatized family housing.

Under the measure, funding for each family housing account would be provided at the administration-requested level, as follows:

- Army — \$331 million for housing construction (81% more than the 2018 level) and \$377 million for operation and maintenance (8% more);
- Navy and Marine Corps — \$105 million for housing construction (25% more than FY 2018) and \$315 million for operation and maintenance (4% less than the 2018 level);
- Air Force — \$78 million for construction (8% less than the 2018 level) and \$317 million for operation and maintenance (\$1 million less); and
- Defensewide Housing — \$58 million for operation and maintenance (1% less than the 2018 level).

It also provides almost \$2 million (39% less than the 2018 level) for the Family Housing Improvement Fund to cover the costs of direct loans or loan guarantees issued by the Defense Department for alternative means of acquiring and improving military family housing, and \$600,000 (4% less) for the Unaccompanied Housing Improvement Fund to cover the costs of direct loans or loan guarantees issued by the Defense Department for military housing for servicemembers who are unaccompanied by dependents.

The measure provides that no more than \$15,000 per unit may be spent annually for the maintenance and repair of any general or flag officer quarters without prior notification to Congress. As with previous appropriations acts, the House committee requires that any savings in family housing operation and maintenance funding that results from foreign currency re-estimates be used for maintaining and repairing existing family units.

Other Military Construction Activities

NATO Security Investment Program

The agreement appropriates the requested \$171 million for the North Atlantic Treaty Organization (NATO) Security Investment Program, \$7 million (4%) less than the 2018 level.

Under the program, annual contributions by NATO member countries finance the cost of construction needed to support major NATO commands. The investments cover facilities such as airfields, fuel pipelines and storage, harbors, communications and information systems, radar and navigational aids, and military headquarters, both within NATO nations and for "out of area" operations such as Afghanistan.

Base Closings & Consolidations

The agreement provides a total of \$342 million for continued activities under the 1990 and 2005 base realignment and closure (BRAC) rounds — \$32 million (10%) more than the 2018 level and \$74 million (28%) more than requested. Funding for both the 1990 and 2005 BRAC accounts are provided in a single line item.

The conferees note that the agreement provides additional funding for the Navy to accelerate environmental remediation at closed installations, and that additional funds have been provided to review perfluorooctane sulfonate and perfluorooctanoic acid contamination across Defense Department facilities. The House committee noted that the department has inspected 524 military installations, and it directs the department to keep the committee apprised of which contaminated locations are cleaned up using the BRAC funding.

Overseas Contingency Operations / European Reassurance Initiative

Separate from the military construction accounts, the measure includes \$921 million in Overseas Contingency Operations (OCO) funds for construction-related activities, \$171 million (23%) more than comparable 2018 funding but equal to the request.

Except for \$60 million in defensewide funding, all of the OCO funding for FY 2019 is for the European Reassurance Initiative; in FY 2018 \$308 million in OCO funding was provided for that initiative and another \$442 million was provided for other OCO military construction activities. Within the total provided for the initiative for FY 2019, \$414 million is for Air Force projects, \$227 million is for Navy projects, \$192 million is for Army projects, and \$27 million is for defensewide projects.

The European Reassurance Initiative is a broad set of U.S. activities that began in 2014 to reassure Eastern Europe of the United States' commitment to their security and territorial integrity, after Russia had taken Crimea and started supporting aggressive military activities in Ukraine. Under the initiative, the United States has increased its military presence and pre-positioned equipment in Europe, boosted training and military exercises with U.S. partner nations, and helped build certain military infrastructure.

Rescissions & Funding Prohibitions

The agreement rescinds \$84 million in funding that was previously appropriated for various military construction activities, including \$31 million in Air Force funding, \$25 million in NATO Security Investment Program funding, \$15 million from the Home Owners Assistance Program, \$2 million from Navy and Marine Corps family housing construction, and \$10 million from Army National Guard military construction.

It includes a number of provisions that bar funding for certain purposes, as follows:

- Prohibits the use of funds to begin construction of new bases in the United States for which specific appropriations have not been made.
- Prohibits the use of military construction funds for the planning, design and construction of projects at Arlington National Cemetery.
- Prohibits the use of funds to close or realign Naval Station Guantanamo Bay.

Promote U.S. Businesses

The measure also includes a number of provisions intended to boost U.S. businesses, including by prohibiting the procurement of steel for military construction projects unless American producers, fabricators and manufacturers have been allowed to compete.

It provides a preference for U.S. architectural and engineering services for projects in Japan, NATO member countries, or countries bordering the Arabian Gulf. It also provides a preference for U.S. contractors for projects in the U.S. Pacific territories and possessions (and on Kwajalein Atoll) and in countries bordering the Arabian Gulf (except bids by Marshallese contractors for military construction on Kwajalein Atoll).

Veterans Programs

The VA serves 43.5 million people: 20 million veterans and 23.5 million family members of living veterans or survivors of deceased veterans. The department employs 385,000 people, making it one of the largest federal employers.

The agreement provides for a total of \$197.2 billion in FY 2019 for all veterans programs — including \$86.5 billion in discretionary spending (44% of the total), primarily for veterans health programs, and \$110.7 billion for mandatory programs (56% of the total), primarily veterans compensation and pensions. The discretionary total for FY 2019 is 6% more than the 2018 level, while the overall total is also 6% more.

Of the total for FY 2019, \$178.4 billion represents advance appropriations for FY 2019 provided by prior-year appropriations laws. In addition, the measure provides \$198.8 billion in advance appropriations for FY 2020: \$75.6 billion for VA's medical accounts and \$123.2 billion for mandatory VA benefits.

The measure rejects the administration's proposal to consolidate VA's Medical Services and Community Care medical accounts, but as called for by the February budget deal it provides a separate \$2 billion for infrastructure improvements to VA facilities. (A similar \$2 billion for VA infrastructure was provided through the FY 2018 Omnibus Appropriations law enacted in March, pursuant to the February budget deal.) For FY 2019, the funds would be used for non-recurring maintenance at VA medical facilities (\$800 million), seismic improvements to VA facilities (\$750 million), minor VA construction projects (\$350 million), and major projects by the VA's National Cemetery Administration (\$100 million).

Veterans Health Programs

The VA operates the largest federal medical care delivery system in the United States. It will treat an estimated 7 million patients in 2019 in its 145 hospitals, 112 residential rehabilitation programs, 133 nursing homes, 300 Vet Centers, 80 mobile Vet Centers and 743 outpatient clinics.

The agreement provides a total of \$73.6 billion in funding for health care programs of the Veterans Health Administration (VHA) in FY 2019 — \$3.0 billion (4%) more than comparable FY 2018 funding but \$508 million less than requested.

Another \$3.6 billion for VA health care will be provided from reimbursements that the VA collects from veterans and other insurers (so-called medical care cost recovery collections) for non-service-connected care that the VA provides to veterans, almost \$1.1 billion more than FY 2018 collections.

The total for FY 2019 includes \$70.7 billion in advance FY 2019 appropriations from prior years and \$2.6 billion in regular appropriations. (As requested by the administration, the measure provides \$75.6 billion in advance FY 2020 appropriations for the VA health care accounts.)

Medical Services

The medical services account provides funding for medical services to eligible veterans and beneficiaries in VA medical centers, outpatient clinics, contract hospitals, state homes and outpatient programs on a fee basis.

This account would receive a total of \$49.9 billion for FY 2019, \$3.1 billion (7%) more than FY 2018. That total includes \$49.2 billion in advance funding from prior-year appropriations laws and \$750 million appropriated for FY 2019 to address existing needs (part of the \$1.75 billion in additional discretionary funding provided). The measure includes a \$51.4 billion advance appropriation for FY 2020 for this account.

Within the total, \$8.6 billion is for mental health programs, of which \$206 million must be used for suicide prevention outreach. Also included is \$40 million for the National Center for Post-Traumatic Stress Disorder. The conferees direct VA to submit to Congress an assessment of the full-time staff needed for the center, a hiring plan and a plan to ensure all community care mental health providers receiving information about the center. They direct VA to improve the Veterans Crisis Line and to report on the VCL as directed in previous legislation. The House committee in its report directs the VA to conduct a study on the potential effectiveness of nonprofit post-traumatic growth programs and requests a copy of the study on the therapeutic effect of service dogs on PTSD as soon as it is completed.

It includes \$1.8 billion for medical treatment for homeless veterans, which includes \$380 million for VA homeless supportive services. Also included in that total is \$54 million for the Justice Outreach Homeless Prevention program. It requires the VA to report on whether the per diem rate provided to non-profit organizations that cover clinical services for homeless veterans is adequate and, if not, options for increasing the rate. It also urges the VA to address the challenges facing female homeless veterans, to develop strategies to address veteran homelessness near the U.S.-Mexico border, and to report on the feasibility of a pilot project to provide furniture and household items to veterans who are

transitioning from homelessness to permanent housing. Echoing the Senate committee, conferees direct VA to report on the cost and feasibility of contracting with local community-based agencies and non-profit organizations to provide caseload management in areas where the department does not meet the recommended case management staffing ratio, such as the greater Los Angeles region.

The total includes \$348 million for opioid abuse treatment and prevention and \$52 million for opioid safety initiatives. Conferees direct VA to ensure clinicians and pharmacists receive guidance on critical drug interactions with opioids, and they concur with the House committee that VA ensure that anyone who prescribes opioids uses the opioid therapy risk report tool, and that the tool be modified to report data in real-time. The House committee urges the VA to exchange prescription drug information with states and to work with states to enable the exchange of information. It also encourages alternative pain care and additional research into, and integration of, complementary and integrative health into the VA's health care systems. The House committee noted that the wait time for veterans seeking inpatient substance abuse care has increased from 15 to 21 days; it therefore requests a report regarding the trends in wait times and any proposed solutions.

It also includes \$270 million to improve access and quality of care for veterans in rural and highly rural areas, with the House committee directing the VA's Office of Rural Health to submit an operating plan for fiscal years 2019 and 2020. It encourages the VA to consider expanding rural health resource centers, as they have been especially effective in combating opioid abuse. It also encourages the VA to consider using doctors of osteopathic medicine and physician assistants in rural areas to combat physician shortages, and to provide expanded access to telehealth services in these areas. Conferees encourage VA to increase the number of rural health resource centers and to expand evidence-based home-based primary care programs to additional Native American reservations and other rural areas. Following the Senate committee, conferees direct that at least \$4 million fund a pilot program to train veterans in agricultural vocations while tending to behavioral and mental health needs.

Finally, the total includes \$521 million for the VA to continue redesigning its women's health care delivery system and facilities, and it provides \$24 million for the National Veterans sports Program.

Community Care Programs

The agreement provides \$9.4 billion for FY 2019 for the medical community care account, which was created in FY 2017 to consolidate into a single appropriation all community care programs under which the VA pays for medical care provided to veterans by private health care professionals outside of the VA's medical network.

That total includes \$8.4 billion in advance funding provided by prior-year appropriations laws, and an additional \$1.0 billion which brings funding closer to the \$9.8 billion provided for FY 2018. That additional funding also could be used to help cover costs as existing VA community care programs, as required by the VA MISSION Act (PL 115-182) enacted earlier this year, are merged together with the VA Choice Program beginning in May 2019 into a single, permanent Veterans Community Care Program through which medical care is provided to veterans outside the VA's medical network.

The VA MISSION Act provided an additional \$5.2 billion in mandatory funding to continue paying for non-VA medical care through the temporary Choice program, and assumed that going forward the new consolidated program would be funded with discretionary dollars. Senate appropriators sought to exempt additional funding for the consolidated program from discretionary budget caps, saying the

February budget deal (PL 115-123) that raised the caps for FY 2019 did not envision the conversion of mandatory to discretionary funding, but the White House and House Republicans insisted that such funding be counted towards the caps.

The mandatory funding provided by the VA MISSION Act is expected to be expended by May 2019, and Senate Democratic appropriators say that CBO has estimated that an additional \$1.6 billion in funding could be needed to cover the remainder of the year. Democrats also say the consolidated program could need an additional \$8 billion for FY 2020 and more than \$9 billion for FY 2021.

Conferees in their statement of managers say that the administration "has not provided a funding estimate for the consolidated program," and that "ultimately, the timing of consolidation and any change in cost is dependent on the issuance of regulations that will outline the new program structure." Consequently, they direct the VA to provide monthly reports to Congress identifying program costs versus available appropriations, as well as anticipated funding needs based on the structure of the developing program.

Medical Support & Compliance

Medical support and compliance funds are used for management expenses and administration of the department's health care system. Funds are provided for financial management, public health and environmental hazards, quality and performance management, medical inspection, human research oversight, training programs and continuing education, security, volunteer operations and human resources.

This account would receive a total of \$7.2 billion for FY 2019, all through a prior-year advance appropriation, which is \$481 million (7%) more than 2018 funding and equal to the request.

The measure also includes a \$7.2 billion advance appropriation for FY 2020 for this account, \$133 million more than requested. Of this total, \$100 million would remain available through Sept. 30, 2021. The agreement rescinds \$211 million of funds previously appropriated to this account.

Medical Facilities

The medical facilities account provides funds for the operation and maintenance of the department's health care system's capital infrastructure, including utilities, engineering, capital planning, leases, laundry, grounds keeping, garbage, housekeeping, facility repair, and property disposition and acquisition.

This account would receive \$6.0 billion for FY 2019, \$213 million less than the 2018 level. The amount provided for FY 2019 comes from \$5.9 billion in advance funding from prior-year appropriations and \$90 million in appropriations. The measure also includes \$6.1 billion in advance appropriations for FY 2020 for this account, \$865 million more than requested. Of this total, \$250 million would remain available through Sept. 30, 2021.

Separately, the measure provides an additional \$800 million for non-recurring maintenance at VA medical facilities (part of the \$2 billion for VA infrastructure). As directed by the House committee, the VA must provide, within 30 days of enactment, a detailed expenditure plan for these funds as well as quarterly updates if funding for any single project changes by more than \$3 million.

Conferees also encourage VA to consider expanding the use of Community Based Outpatient Clinics, and to study the potential benefits of placing VA clinics on military installations in areas that have high veteran populations but where the nearby VA infrastructure is overburdened. The study should particularly examine locations that have available, unused medical facilities on military installations.

Medical & Prosthetic Research

The agreement appropriates \$779 million for medical, rehabilitative, health services and prosthetic research for FY 2019, \$57 million (8%) more than the 2018 level and \$52 million (7%) more than requested. All of the funding is available until Sept. 30, 2020, and \$27 million is available through Sept. 30, 2023. The measure includes language directing VA to ensure that sufficient funds are available for the acquisition of prosthetics designed specifically for female veterans.

Within the appropriated total, \$27 million is for the VA's collaboration with the Energy Department to leverage the Energy Department's next generation artificial intelligence, big data, multi-modal diagnostics and data integration to develop precision medicine applications.

The conference report repeats the Senate committee's directive that VA include skin cancer in its efforts to provide targeted cancer treatments through genomic science. The House committee, meanwhile, urges the VA to investigate medical records to determine if veterans exposed to Agent Orange and other herbicide-related toxins have more frequent or unexplained diseases, and also urges the VA to use research funds to investigate the efficacy and safety of cannabis usage among the veteran population for medicinal purposes. The VA must report to Congress on how it expects to pursue this cannabis research, and the results of any such research must be preserved in order to facilitate further research.

Veterans Benefits Administration

In addition to veterans medical benefits provided by the Veterans Health Administration, the VA provides veterans compensation and pensions as well as readjustment benefits to eligible veterans through the Veterans Benefits Administration (VBA).

The funding for those benefits are mandatory spending, and for FY 2019 the agreement provides a total of \$110.7 billion, including a prior-year advance appropriation of \$107.7 billion and a regular appropriation of \$6.2 billion. The total available for mandatory benefits is \$3.0 billion more than comparable FY 2018 funding. The measure also provides \$123.2 billion in mandatory advance appropriations for FY 2020 for those veterans benefits.

When \$3.2 billion in discretionary funding for VBA operations and certain other activities are also factored in, the agreement provides a total of \$113.9 billion for the VBA.

Veterans Compensation & Pensions

This account provides funds for service-connected compensation payments to over 5 million veterans, survivors and dependents. In addition, pension payments are funded for 469,000 veterans and survivors. The average cost per compensation case for veterans in 2019 is estimated at \$17,553, and average pension payments are projected to be \$13,345.

The agreement provides \$98.8 billion for veterans service-connected compensation benefits and pensions for FY 2019, \$95.8 billion of which is advance appropriations from prior spending bills. The total available is \$8.6 billion (10%) more than 2018 funding and \$1.6 billion (2%) more than requested.

It also includes the requested \$109.0 billion advance appropriation for FY 2020 for this account.

The House committee in its report directs the Veterans Affairs Department to report to Congress on the legislative authority needed to change the current practice under which VA and Defense Department disability benefits are included in an individual's income when calculating disposable income for a veteran who declares bankruptcy, while Social Security disability benefits are excluded from these calculations for civilians.

Readjustment Benefits

The measure provides the requested \$11.8 billion for veterans readjustment benefits for FY 2019, all of which is advance appropriations from prior spending bills. The total available is \$1.9 billion (14%) less than 2018 funding but equal to the request.

Funding in this account provides education and training assistance to veterans and service personnel; vocational rehabilitation; special housing and transportation grants to certain disabled veterans; and educational assistance to eligible dependents of deceased and seriously disabled veterans, as well as dependents of servicemembers who were captured or are missing in action. More than 80% of the funds support the Post-9/11 GI bill.

The measure also includes the requested \$14.1 billion advance appropriation for FY 2020 for this account.

Veterans Insurance & Indemnities

The agreement provides the requested \$109 million in mandatory funding to finance veterans insurance programs for certain veterans of World War I, World War II and the Korean War, as well as the veterans mortgage life insurance for those veterans who have a grant for specially adapted housing. The total provided is \$11 million (9%) less than 2018, and is completely provided by prior-year appropriations.

The measure also includes the requested \$111 million in advance appropriations for FY 2020 for this account.

VA Housing Benefit Program

The measure provides the requested \$201 million in discretionary funding for administrative expenses under the VA Home Loan Guaranty program, 12% more than the 2018 level but equal to the request. The agreement sets a \$500,000 cap on direct loans for specially adapted housing.

Loan guarantees under the program are made to servicemembers, veterans, reservists and single surviving spouses for the purchase of homes, condominiums and manufactured homes, as well as for refinancing loans. Under the program, the VA guarantees part of the total loan, permitting the

purchaser to obtain a mortgage with a competitive interest rate, even without a down payment if the lender agrees. With a VA guarantee, the lender is protected against loss, up to the amount of the guarantee, if the borrower fails to repay the loan.

Other VA Benefits

The measure also includes discretionary funding for the following programs:

- Native American Veteran Housing Loan Program — \$1.2 million for administrative expenses of the Native American Veteran Housing Loan Program, equal to the 2018 level and slightly more than the request. Under the program, the VA makes direct housing loans to Native American veterans to purchase, construct or improve dwellings on trust lands.
- Vocational Rehabilitation Loans — \$396,000 for administrative expenses under the vocational rehabilitation loans program account, slightly more than the 2018 level but equal to the request. The agreement sets a \$2.0 million cap on the loans. Under the program, loans of up to \$1,235 are available to service-connected disabled veterans enrolled in vocational rehabilitation programs when the veteran is temporarily in need of additional assistance. Repayment is made in monthly installments, without interest, through deductions from future payments of compensation, pension, subsistence allowance, educational assistance allowance or retirement pay. Most loans are repaid in full in less than one year.

VA Department Administration

The measure provides a total of \$7.9 billion for various VA administrative expenses, \$1.4 billion (21%) more than the 2018 level but 3% less than requested.

Within that total, \$356 million (\$20 million more than FY 2018) is for general administration of the VA Department, including the Office of the Secretary, seven assistant secretaries and three independent staff offices. The agreement provides that \$11 million from the general administration account, and \$73 million from the information technology systems account, be used for the development of a new financial management system.

The House committee directs the VA to report the aggregate total of VA performance bonuses in the five most recent fiscal years, and to distinguish between bonuses for Senior Executive Service staff and non-SES staff. The report should include the percentage of SES and non-SES employees who received a bonus and the average amount of the bonuses, broken down by grade for the same period.

It encourages the VA to prioritize awarding contracts to contractors that subcontract with small businesses, and to especially seek contracts that will provide work for women-owned businesses, small disadvantaged businesses, service disabled veteran-owned businesses and businesses in HUBZones.

VBA General Operating Expenses

The total provided for the Veterans Benefits Administration (above) includes \$3.0 billion for general VBA operating expenses, \$46 million (1%) more than 2018 funding and \$87 million (3%) more than the request.

The House committee directs the VBA to use the additional funding to scan paper claims and convert them to digital format, and hire additional staff and pay overtime as necessary to process disability claims and appeals and reduce the backlogs. More than 450,000 veterans are awaiting decisions on their disability claims. It also commends the VBA for its increased focus on military sexual trauma, and the more relaxed standard of evidence it has established to claim having experienced such trauma.

The conferees, echoing the House committee, urge the VA to prioritize processing claims and appeals of veterans who are elderly or in poor health, and to report on how it currently prioritizes claims. They reiterate the Senate committee's direction to the VA to ensure that non-VA physicians who conduct medical disability examinations have a current unrestricted medical license.

The House committee urges the VA to work with the Defense Department to determine if there is a need for contracting to order hearing loss prevention devices, and to enter into such a contract if warranted.

Information Technology & Integrated Health Records

The measure includes \$4.1 billion for VA information technology, \$48 million (1%) more than the 2018 level but \$82 million (2%) less than requested.

That total includes \$2.5 billion for operations and maintenance, \$1.2 billion for pay and associated costs and \$381 million for development, modernization and enhancement. It also includes \$32 million for the Veterans Benefits Management System, \$73 million for replacement of the Financial Management System, \$22 million for the National Cemetery Administration burial operations support system, and \$10 million for Board of Veterans Appeals modernization.

The agreement provides a separate \$1.1 billion for final development and implementation of a new VA electronic health record, \$325 million (42%) more than FY 2018 but \$100 million (8%) less than requested. Within that total, \$412 million is for infrastructure support. The funds would be available for three years, and VA must report quarterly to Congress on its obligations, expenditures and deployment strategy by facility.

VA Construction

The agreement appropriates the requested \$1.1 billion for major modernization projects, alteration and improvement of VA facilities, \$615 million more than 2018 funding. Major construction includes projects where the estimated cost is \$10 million or more.

The measure prohibits the VA from reprogramming more than \$7 million between construction projects unless approved by Congress, and no change to the scope of a construction project is permitted without congressional approval. The VA must report any bid savings of \$5 million or more as soon as they are identified.

For "minor" construction projects (i.e., those that cost less than \$10 million per project), it provides \$650 million — \$307 million more than the 2018 level but \$57 million (8%) less than requested. An additional \$350 million for minor projects is provided as part of the \$2 billion infrastructure initiative. The House committee in its report directs the VA to report on the necessary statutory changes that

would allow the VA to purchase and construct single unit "tiny homes" to help with homelessness among veterans.

The infrastructure initiative also provides \$400 million for seismic improvement projects at VA facilities, including projects that would otherwise be funded under the major construction, minor construction, Medical Facilities or National Cemetery Administration accounts.

For construction of state extended care facilities, it provides the requested \$150 million, 36% more than current funding. The House committee noted that the February budget deal's infrastructure initiative for FY 2018 included an additional \$575 million for grants for state homes, which along with the regular FY 2018 appropriations was sufficient to clear the longstanding backlog of approved state applications.

National Cemetery Administration & Other VA Activities

The agreement appropriates \$316 million for VA's National Cemetery Administration, \$10 million (3%) more than the 2018 level but equal to the request. It also provides an additional \$100 million for major construction projects by the National Cemetery Administration as part of the \$2 billion infrastructure initiative.

The agency supports operation and maintenance of 135 national cemeteries, one rural national veterans burial grounds and 33 other cemeterial installations. It also administers grants to states and tribal governments for the establishment or expansion of veterans cemeteries that are operated and maintained by those governments; the measure provides a separate \$45 million for grants for the construction of veterans cemeteries (equal to both the 2018 level and the request).

The agreement also provides funding for the following other VA activities:

- Inspector General — \$192 million for the VA's Office of Inspector General, \$28 million more than the 2018 level and \$20 million more than the request.
- Board of Veterans Appeals — \$175 million for the Board of Veterans Appeals, \$14 million more than 2018 funding but equal to the request. The measure also provides \$10 million from the IT systems account for the appeals modernization initiative.

Other Related Agencies

In addition to funding military construction and the VA, the agreement funds four other agencies and accounts.

Arlington National Cemetery

The Army secretary is responsible for the administration, operation and maintenance of Arlington National Cemetery and the Soldiers' and Airmen's Home National Cemetery. In addition to its principal

function as a national cemetery, Arlington is the site of approximately 3,000 non-funeral ceremonies each year and has approximately 4 million visitors annually.

The agreement provides \$114 million for the two cemeteries in FY 2019, \$133 million (54%) less than the 2018 level but \$44 million (62%) more than the request.

Of this total, \$81 million is for salaries and expenses and \$34 million is for the planning, design and construction of the southern expansion of Arlington Cemetery (for which \$167 million was provided for FY 2018; the administration requested no funding for this construction). The construction funding would remain available until expended. The House committee notes that despite the increased funding for 2018 and 2019, additional funding of about \$60 million will be needed to complete the southern expansion to guarantee burial space at Arlington Cemetery through 2050.

Court of Appeals for Veterans Claims

The measure includes \$35 million for the U.S. Court of Appeals for Veterans' Claims, \$1.4 million more than 2018 funding but only a third of the request.

The court reviews appeals from claimants seeking review of a benefit denial by the VA. It has the authority to overturn findings of fact, regulations and interpretations of law.

Armed Forces Retirement Home

The Armed Forces Retirement Home consists of two retirement communities: one in Washington, D.C., and the other in Gulfport, Miss.

The measure provides \$64 million for the Armed Forces Retirement Home, equal to both 2018 funding and the request. This amount includes \$22 million from the general fund of the Treasury, rather than the trust fund that supports the retirement communities. Expenditures from the trust fund have exceeded revenues for the last four fiscal years.

The Armed Forces Retirement Home and the Defense Department are directed to develop a sustainable funding source or sources for the retirement communities to be included in the FY 2020 budget request.

American Battle Monuments Commission

The agreement includes \$104 million for salaries and expenses of the American Battle Monuments Commission, \$25 million (32%) more than the 2018 level and 39% more than requested.

The commission administers and maintains cemeteries and war memorials located overseas and in the United States to commemorate the sacrifices of those who lost their lives in combat since World War I. It maintains 25 cemetery memorials and 26 monuments, memorials and markers.

Other Provisions

The agreement also includes provisions that do the following:

- **Funding Obligations** — Prohibits the obligation of funds beyond the current fiscal year unless expressly provided.
- **Guantanamo Bay Detainees** — Prohibits the use of funds for the renovation, expansion or construction of any facility in the continental United States for housing any individual detained at the United States Naval Station, Guantanamo Bay, Cuba. It also prohibits the use of funds to carry out the closure or realignment of Guantanamo Bay.
- **First-Class Travel** — Prohibits funds to be used for first-class travel by an employee of the executive branch.
- **Contractor Requirements** — Prohibits the use of funds for any contract where the contractor has not complied with federal immigration eligibility requirements, including E-Verify.
- **Congressional Names** — Prohibits the use of funds for a project or program named for a currently serving member of the U.S. House of Representatives.
- **Anti-Porn** — Prohibits funds from being used to maintain or establish a computer network unless such network blocks the viewing, downloading and exchanging of pornography.

Section IV

Legislative Branch

This section describes the provisions of the conference agreement on HR 5895, FY 2019 Energy and Water, Legislative Branch, and Military Construction and Veterans Affairs Appropriations Act, that provide funding for the House of Representatives, Senate, and other elements of the Legislative Branch.

The agreement appropriates a total of \$4.8 billion for operations of the House of Representatives, Senate, joint House-Senate items and legislative branch entities such as the Capitol Police, Library of Congress, the Government Accountability Office (GAO) and the Government Printing Office (GPO). The total is \$136 million (almost 3%) more than the FY 2018 level but \$140 million (3%) less than was requested by the offices and agencies covered by the measure.

The measure increases funding for the U.S. Capitol Police to enhance security for members of Congress and the public in the wake of last year's shooting at a practice for the annual congressional baseball game. It also provides additional funds to finance mandatory annual sexual harassment training for House members and staff and to operate the new Office of Employee Advocacy created earlier this year.

For the first time, it provides dedicated funding for pay interns who work in House and Senate offices. It also continues the freeze on salaries of members of Congress, thereby preventing any pay increase for 2019; a pay freeze for lawmakers has been in place since 2010.

In total, the measure increases funding for operations of the House of Representatives and Senate by 2%, and for the Capitol Police by 7%, the Architect of the Capitol by 3%, the Library of Congress by 4%, and the Office of Compliance (which oversees workplace safety and anti-harassment training and response) by 29%. It provides a slight increase in funding for GAO while slightly decreasing funding for the GPO. It also eliminates allowances for former Speakers of the House.

House Operations

The agreement appropriates \$1.2 billion for operations of the House of Representatives in FY 2019, \$32 million (2%) more than FY 2018 but \$24 million less than requested.

Leadership Offices

The agreement appropriates \$25.4 million for Republican and Democratic leadership offices and party caucuses in the House, \$3 million (14%) more than both current funding and the request.

However, that increase occurs because the measure distributes to leadership offices more than \$3 million in funding that in the past has been provided under the House's Allowances and Expenses account for supplies, materials, administrative costs and federal tort claims — thereby increasing funding to individual leadership offices (although by differing amounts, as illustrated below).

For the Republican leadership, the measure provides a total of \$7.1 million for the speaker of the House (7% more than FY 2018), \$2.6 million for the majority leader (21% more), \$2.2 million for the majority whip (16% more) and \$2.2 million for the Republican Conference (45% more).

For the Democratic leadership, it provides a total of \$7.8 million for the minority leader (9% more), \$1.7 million for the minority whip (16% more) and \$1.8 million for the Democratic Caucus (19% more).

Members' Representational Allowances

The agreement provides \$574 million for members' representational allowances in FY 2019 — \$11 million (2%) more than the current level.

This account funds each member's staff salaries, office expenses and official mail costs — but contains no funds for members' salaries, which are paid out of a permanent appropriation for the compensation of members. Members may also pay for certain security costs out of their allowances. (The measure also provides compensation to interns, but that funding is provided through a separate account, as described below.)

The measure requires that unspent funds in the members' representational allowances be used for deficit or debt reduction.

House Committees

The agreement appropriates \$151 million for House committee salaries and expenses — including \$23 million for the Appropriations Committee and \$128 million for all other House committees (which

received their individual allocations through H Res 173, the two-year committee funding resolution adopted by the House near the beginning of the 115th Congress).

The total for the Appropriations Committee is \$113,000 less than the FY 2018 level, while the total for other committees is \$850,000 more.

Non-Appropriations Committee funding would remain available until Dec. 31, 2019 —although \$4 million would remain available indefinitely for upgrading committee rooms.

(Funding for the Joint Economic Committee and Joint Committee on Taxation is provided through separate appropriations in the measure outside of the House operational accounts, as described below.)

House Officers & Employees

The agreement appropriates \$220 million for functions performed by the various House officers and employees, \$16 million (8%) more than current funding but \$2 million less than requested.

The largest appropriation is provided to the House's Chief Administrative Officer (CAO), who is responsible for carrying out various administrative functions for the House — including human resources, information resources, payroll, finance, procurement and other business services.

The measure provides \$148 million for the CAO, \$15 million (10%) more than current funding but \$5 million less than requested. The House committee in its report noted that the additional funding provided for the CAO will, among other things, provide for IT and cybersecurity enhancements, and continue mandatory workplace rights training and the Wellness Program.

The CAO also administers the Wounded Warrior Program, under which two-year paid fellowships are provided for wounded veterans to work in congressional offices. The measure includes a separate appropriation for that program, providing \$3 million for FY 2019, \$250,000 (9%) more than current funding. That increase will provide for an additional 25 fellowship positions, bringing total fellowships in the Wounded Warrior Program to 110.

Also funded under the House Officers & Employees account are the following, all of which are equal to the level requested unless otherwise noted:

- Chief Administrative Officer (CAO) — The CAO
- Clerk of the House — \$28 million, \$360,000 (1%) more than current funding. This amount also covers the positions of the chaplain and the historian of the House.
- Sergeant at Arms — \$19 million, \$1.7 million (8%) less than current funding. This amount also covers the position of Superintendent of Garages and the Office of Emergency Management.
- Office of the Parliamentarian — \$2 million, half a percent less than current funding.
- Legislative Counsel — \$12 million, \$2 million (10%) more than both current funding and the request.

- Office of Law Revision Counsel — \$3 million, 4% more than current funding.
- General Counsel — \$1.5 million, slightly more than current funding.

Paid Internships

The agreement through a new, separate account appropriates \$8.8 million for FY 2019 for paid internships. That amount would provide each member's office with \$20,000 they could use a year to pay their interns. Under the measure, paid internship positions would not count against the number of employees who may be employed by a member.

Conferees in their statement of managers say they believe that House internships should be available to the broadest possible pool of candidates who have the ability and interest to serve. Unpaid internships, they say, can be an impediment to otherwise qualified candidates who cannot independently afford to work without pay.

The measure directs the House Administration Committee to issue rules and regulations to implement this new authority.

Inspectors General

The agreement provides \$5 million for the House's Office of Inspector General (IG), slightly more than current funding.

Conferees in their statement of managers say they believe it is important to ensure independence between Legislative Branch Inspectors General and their respective reporting agencies, and say they expect to see a separate section in each agency's FY 2020 budget justification which reflects a detailed budget request for the agency's IG Office. Conferees also direct each IG to keep the House and Senate Appropriations committees fully apprised of its funding needs, and direct each agency not to interfere with or require approval for the agency IG to communicate with Congress.

Members Dining Room & Other CAO Directives

The conferees note that dating back to 1858, the Members Dining Room has provided a social space where members meet with one another and with their constituents, calling it a unique and special experience for visitors of all ages. But they say there have been ongoing concerns regarding improvements to food service and quality in the members dining room, and therefore direct the CAO to explore applying the branded option concept to the dining room and report back to the appropriate stakeholders regarding options and timelines within 90 days of enactment.

The House committee in its report noted that the Agriculture Department and EPA have set a joint goal of reducing food waste by 50% by the year 2030, and said the House should help to meet this goal and, whenever possible, ensure that food waste generated at House food services does not end up in a landfill. It therefore urged the CAO to explore composting and donation options for House food services.

It also requested the CAO to ensure that the House's food offerings include food and nutrition options that support healthier choices, including: a variety of fruit and vegetable options; whole grain-rich options; plant-based proteins; lean protein entrees; more visible access to freely available drinking water; and meals, entrees, and sides with less sodium.

Finally, it required the CAO to contract with an independent entity to prepare a report that reviews the salaries and benefits of House staff (both personal office and committee staff) versus executive branch and private sector employees to evaluate whether they receive similar pay for similar work, and if not, the extent and nature of those differences broken out by job responsibilities. The report must also review the salaries of House personal office and committee staff to evaluate whether men and women with similar job responsibilities, experience, and qualifications receive similar pay for similar work, and whether people from different ethnic or racial groups receive similar pay for similar work. The study must be submitted to House Appropriations within a year of enactment.

Allowances & Expenses

The measure provides \$253 million for the House's allowances and expenses account, which funds a variety of miscellaneous activities and expenses, including official mail for committees and leadership offices and the government's share of retirement, health care and unemployment compensation payments for House employees.

The total is \$7 million (3%) less than current funding and \$35 million (15%) less than the request. The vast majority of the total, \$228 million, is for the government's contributions for employee health and retirement benefits.

Senate Operations

The agreement appropriates \$935 million for Senate operations in FY 2019 — \$15 million more than the FY 2018 level but \$55 million (6%) less than requested.

The measure provides \$208 million for the salaries of officers and employees of the Senate, \$14 million (7%) more than FY 2018 but 2% less than requested. Included in this total is \$84 million for the Office of the Sergeant at Arms and the Doorkeeper, \$5.6 million (7%) more than FY 2018 to help provide additional security to senators.

The agreement also includes \$26.3 million for the Office of the Secretary (5% more than FY 2018), \$5.4 million for the offices of the majority and minority leaders and \$3.5 million for the offices of the majority and minority whips (both 3% more than FY 2018), and \$15.5 million for the Appropriations Committee (2% more than 2018). It also provides \$60 million for agency contributions, \$5.7 million more than FY 2018 but \$4 million less than requested.

Other Activities

For contingent expenses of the Senate, the measure appropriates \$719 million (\$1 million more than FY 2018 but \$40 million less than requested) — including \$127 million for contingent expense funding for the Office of the Sergeant at Arms and the Senate Doorkeeper (3% less than FY 2018).

The total also includes \$133 million for inquiries and investigations (equal to FY 2018) and \$429 million for benefits and salaries for senators' staff and office expenses (1% more than FY 2018 but 9% less than requested) — which includes \$5 million to pay Senate interns (see below). Unspent amounts remaining in senator's accounts would be used for deficit or debt reduction. Separately, it provides \$6 million for the Senate Legislative Counsel and \$1 million for the Senate Legal Counsel (both about 3% more than FY 2018).

The agreement requires Senate candidates to file their campaign disclosures electronically, instead of filing actual paperwork with the secretary of the Senate who then sends it along to the Federal Election Commission (FEC). Under the measure, candidates would file electronically directly to the FEC. The House has required electronic filing since 1995, according to appropriators.

Finally, the measure also includes a \$174,000 death gratuity for the widow of Senator John McCain, R-Ariz..

Senate Interns

The measure includes \$5 million in the senator's staff and office account to compensate Senate interns. That amount would provide an average of \$50,000 to each senator's office for the purposes of paying interns during the year. The actual amount provided to a senator's office, however, would vary to somewhat reflect the state's population.

Child Care Center

In lieu of language included in the Senate committee report, the agreement directs the Government Accountability Office (GAO) to review the current operations of the Senate Employees' Child Care Center (SECCC) and report its findings within 180 days of enactment. The GAO should receive input from related constituencies, including SECCC Board Members and the Executive Director, according to the conferees.

Joint House-Senate Items

The agreement appropriates a total of \$20.7 million for certain items and activities jointly operated by the House and Senate — virtually equal to both current funding and the request.

Funding for joint items is provided as follows:

- Joint Committee on Taxation — \$11.2 million for operations of the joint committee, equal to both the current level and request. The committee helps in the preparation and budgetary scoring of tax legislation and investigates aspects and administration of the federal tax system.
- Joint Economic Committee — \$4.2 million for the Joint Economic Committee, equal to both current funding and the request. The committee reviews economic conditions, conducts economic research and analysis, and recommends improvements in economic policy.

- Attending Physician — \$3.8 million for medical supplies, equipment, expenses and allowances for Navy personnel in the Capitol's Office of the Attending Physician. This amount is 1% less than the current level but equal to the request.
- Congressional Accessibility Services — \$1.5 million for the Office of Congressional Accessibility Services, 1% more than current funding but equal to the request.

Capitol Police

The agreement provides a total of \$456 million for the Capitol Police, \$30 million (7%) more than current funding and slightly below the request. With this total, overtime costs could not exceed \$44 million without committee notification.

The increased funds are intended to address garage security and prescreening, with about \$1 million to be used to expand protections of lawmakers at events away from the Capitol.

Within the total, \$375 million is for salary and benefits, \$23 million (7%) more than current funding. It also includes \$82 million for general expenses, \$7 million more than current funding.

The measure requires that the cost of basic training for Capitol Police officers at the Federal Law Enforcement Training Center be paid for by the Homeland Security Department, which operates the training center.

The House committee in its report directed the Capitol Police to provide a written report to the committee within 180 days of enactment on the feasibility and impact of permanently raising the mandatory retirement age from 57 to 60 years of age. It also continued to instruct Capitol Police to forbear enforcement of Capitol Grounds property protection requirements and traffic rules, and thereby allow snow sledding on the grounds.

Horse Mounted Unit

The conferees note that prior to FY 2006 the Capitol Police operated a six-person Horse Mounted Unit, and say that restoring such a unit to occasionally patrol the Capitol campus could be beneficial both from both an aesthetic and security perspective.

They therefore direct the Capitol Police to report within 90 days of enactment on the possibility of entering into a memorandum of understanding with the United States Park Police and Metropolitan Police Department to provide horse mounted units around the Capitol campus.

Architect of the Capitol

The agreement appropriates \$734 million for the Architect of the Capitol (AOC) to carry out numerous operational and maintenance activities related to the operations of Congress. The total is \$22 million (3%) more than current funding but \$35 million (5%) less than requested.

The AOC is responsible for the maintenance, operation, development and preservation of the United States Capitol Complex. This includes mechanical and structural maintenance of the Capitol,

congressional office buildings, Library of Congress buildings, the Supreme Court building, the U.S. Botanic Garden, the Capitol Power Plant and other facilities, as well as the upkeep and improvement of the grounds surrounding the Capitol complex.

House Office Buildings

The agreement provides a total of \$187 million for the operation, maintenance and care of House office buildings — \$10 million (5%) less than current funding but \$7 million more than requested. It also provides \$10 million for the House Historic Buildings Revitalization Trust Fund to finance major repairs and renovations to House facilities (equal to the current level). Subject to approval of the House Appropriations Committee, the AOC may use these funds for major renovation projects to preserve and maintain the performance of the iconic buildings of the House of Representatives.

The total includes \$62 million for continued work on restoring and renovating the Cannon House Office Building and \$33 million for the Rayburn House Office Building garage rehabilitation project.

Capitol Power Plant

The agreement provides \$123 million for operations of the Capitol heating/cooling ("power") plant, of which \$9 million would come from offsetting collections. That total is \$7 million (6%) more than current comparable funding.

The Capitol power plant receives reimbursements for providing utility services to the Government Publishing Office, Supreme Court, Thurgood Marshall Federal Judiciary Building, Union Station complex and Folger Shakespeare Library.

Under the measure, \$37 million would be provided for capital projects at the power plant, including \$21 million for the west refrigeration plant chiller system replacement and \$4 million for minor construction. It provides \$92 million for the operating budget of the power plant.

Other AOC Funding & Activities

The agreement also provides the following for the Architect of the Capitol:

- Capital Construction & Operations — \$104 million for personnel services, equipment, communications and other central support activities, \$10 million (11%) more than current funding.
- Capitol Building — \$44 million for operation and maintenance of the Capitol building, 3% less than current funding and \$2.2 million less than requested.
- Capitol Grounds — \$17 million for care and improvement of the Capitol grounds, \$3.4 million (25% more) than current funding but 7% less than requested.
- Library of Congress Buildings — \$69 million for care and maintenance of Library of Congress buildings and grounds, 8% less than current funding and 39% less than requested.

- Capitol Police Buildings — \$58 million for Capitol Police buildings, grounds and security, \$23 million (68%) more than current funding but \$2 million less than requested.
- Capitol Visitors Center — \$23 million for operations of the Capitol Visitors Center (CVC), \$2 million (9%) more than the current level.
- Botanic Garden — \$15 million for operations and maintenance of the Botanic Garden, 7% more than the current level.

The conferees direct the AOC to develop a comprehensive plan to enhance the Cannon tunnel and Capitol South metro station.

In its report, the House committee expressed its support for the AOC's robust energy savings and sustainability initiatives, and noted that since 2003 the AOC has facilitated energy reduction across the Capitol campus by more than 30% with the goal of 50% reduction by FY 2025. The AOC has instituted waste reduction, recycling, and composting programs that has reduced building occupant waste by 44% and diverted construction waste by 90%, according to the report.

The House committee directed the AOC to study what further measures can be taken to conserve resources and promote a more sustainable campus, including decreasing water and electricity use; reducing waste; and improving or expanding recycling and composting practices in the Capitol complex.

Library of Congress

Established by Congress in 1800, the Library of Congress is one of the largest libraries in the world, with a collection of more than 162 million print, audio and video items in 470 languages. Among its major programs are acquisitions, preservation and administration of U.S. copyright laws by the Copyright Office; research and analysis of policy issues for Congress by the Congressional Research Service (CRS); and administration of a national program to provide reading material to the blind and physically disabled.

The agreement provides \$696 million for various activities of the Library of Congress, \$26 million (4%) more than the current level and \$24 million more than requested. However, it also allows the library to directly spend \$51 million in collected receipts and almost \$4 million in prior-year unobligated balances, making a total of \$751 million available for the library in FY 2019.

The increase will allow for enhancements to public exhibits and visitor services, and provide for information technology modernization within the Library, the Copyright Office, and CRS.

Within the total, funding for major activities is provided as follows:

- Salaries & Expenses — A total of \$480 million for library salaries and expenses, of which \$6 million would come from the collection of receipts for certain library activities (for a net appropriation of \$488 million). The total provided is \$3 million more than current funding and \$5 million more than requested.

- Copyright Office — A total of \$93 million for activities of the Copyright Office, of which \$45 million would come from the collection of receipts for certain copyright activities and \$4 million would come from prior-year unobligated balances (for a net appropriation of \$44 million). The total provided is \$21 million (30%) more than current funding and 8% more than requested. Appropriators say the increased funding will enable efforts to create electronic systems for copyright registration and recordation, and support the digitization of historic copyrights dating back to 1870.
- CRS — \$126 million for the Congressional Research Service (CRS), \$6 million (5%) more than current funding and \$12 million more than requested. Appropriators say the increase will allow CRS to begin restoring staffing losses that have totalled more than 10%. The House committee in its report also directed CRS to submit a plan within 180 days of enactment on developing a pilot program to train new congressional staff.

Books for the Blind

The agreement provides \$53 million for the National Library Service (NLS) for the Blind and Physically Handicapped, 2.5% more than the current level and 3% more than requested.

The National Library Service has administered a free national reading program for blind and physically handicapped residents of the United States and U.S. citizens living abroad since 1931. The service provides direction for the production of books and magazines in braille and recorded formats and audio playback machines for distribution through a nationwide network of 55 regional and 33 sub-regional libraries.

In 2016, Congress authorized the library service to provide readers for electronic braille (PL 114–219). Report language accompanying the fiscal 2017 and 2018 omnibus appropriations bills supported a pilot program to study braille eReaders. The House committee report again directed the service to share the results of that program in order to identify what, if any, additional resources will be required to implement the braille eReaders program nationwide.

Office of Technology Assessment

The conferees note that they have heard testimony on, and received dozens of requests advocating for the restoration of funding for the Office of Technology Assessment (OTA), which was abolished in 1995 after Republicans took control of Congress.

The conferees direct CRS to engage with the National Academy of Public Administration or a similar external entity to produce a report detailing the current resources available to Congress within the Legislative Branch regarding science and technology policy, including the GAO. This study should also assess the potential need within the Legislative Branch to create a separate entity to provide nonpartisan advice on issues of science and technology.

Government Accountability Office

The agreement provides \$626 million for activities of the Government Accountability Office (GAO), with \$36 million in offsetting collections reducing the net appropriation to \$590 million for FY 2019.

The total available is \$23 million (4%) more than current funding and will allow for the addition of 50 staff positions to address issues relating to cybersecurity, science and technology, Defense Department programs, and health care costs.

The GAO works for Congress by responding to requests for studies of federal government programs and expenditures. GAO also initiates its own work, auditing federal agency operations to investigate how the government spends taxpayer dollars and recommend how to prevent waste, fraud and abuse.

Congressional Budget Office

The agreement provides \$51 million for the Congressional Budget Office (CBO), almost 2% more than current funding. It allows the CBO to establish and fix the compensation of senior-level positions to meet critical scientific, technical, professional or executive needs.

The conferees direct CBO to provide information regarding the allocation of time and resources spent on formal cost estimates versus informal cost estimates, and an update on the agency's plans to enhance the tracking of this information.

The House committee report recommended that CBO consider factors such as the number of co-sponsors for legislation when prioritizing which bills receives a cost estimate beyond what is mandated in statute and requested by committees. It directed CBO to provide periodic updates on progress, specifically in the area of increased responsiveness to Member requests.

Office of Compliance

The measure provides \$6.3 million for the Office of Compliance (OOC) — \$1.4 million (29%) more than current funding.

Created by the 1995 Congressional Accountability Act (CAA; PL 104-1), the office is responsible for ensuring congressional compliance with various labor and employment laws, and it administers the existing dispute resolution process for cases of harassment or discrimination.

Under proposed legislation to revise the CAA to better address sexual harassment and discrimination in Congress, which is currently awaiting a House-Senate conference, the office's role would be expanded to investigate claims of discrimination or harassment. In the meantime, the office's workload has increased with increasing demand for anti-harassment and discrimination training for members and staff.

Conferees say the \$1.4 million increase for FY 2019 is in recognition and support of current reform efforts to deal with workplace harassment and discrimination, and the role that the Office of Compliance will play — including anti-harassment training for Legislative Branch employees.

Government Publishing Office

The agreement appropriates \$117 million for activities of the Government Publishing Office (GPO), slightly less than current funding but equal to the request.

The FY 2015 omnibus appropriations act (PL 113-235) renamed GPO (formerly the Government Printing Office) to reflect its modernized mission, which now focuses mainly on digital composition and maintenance of online databases to support government transparency. Paper printing is now a minor part of GPO's spending and activities. The head of the agency, formerly the public printer, is now known as the agency's director.

Of the total provided, \$79 million is for the publishing of specific congressional documents, including bills, committee reports, hearing transcripts, committee prints, the Congressional Record and other such documents. It also provides \$32 million for salaries and expenses of the Office of the Superintendent of Documents (10% more than FY 2018) — which among other things funds the mailing of government documents for members of Congress and federal agencies.

Other Activities & General Provisions

The agreement provides \$5.6 million to the Open World Leadership Center Trust Fund, equal to the current level. The center, originally known as the Center for Russian Leadership Development, brings emerging leaders from Russia and other Eurasian countries to "experience American democracy and civil society in action."

It also provides \$430,000 for the John C. Stennis Center for Public Service Training and Development, equal to both the current level and the request.

The measure also includes the following general provisions:

- Former Speakers — Eliminates allowances for former Speakers of the House.
- Congressional Record & Calendar — Prohibits the use of funds for delivery of printed copies of the Congressional Record or daily calendar to members' offices.
- Printed Bills — Prohibits the use of funds for delivery of printed bills or resolutions to members' offices, unless the member requests a copy.
- Pictorial Directory — Prohibits the use of funds for delivery of printed copies of the Congressional Pictorial Directory to members' offices.
- U.S. Code — Allows no more than an aggregate of 50 printed copies of the U.S. Code to be provided to all offices of the House of Representatives.
- Guided Tours — Prohibits funds from being used to eliminate or restrict guided tours of the Capitol, which are led by employees and interns of congressional offices, unless temporarily suspended for security reasons.
- Anti-Porn — Prohibits funds from being used to maintain or establish a computer network unless such network blocks the viewing, downloading and exchanging of pornography.

Finally, the measure prohibits the use of funds to maintain or care for private vehicles, except for emergency assistance and cleaning as may be provided under regulations relating to House and Senate parking facilities. It also prohibits members from using their representational allowance to lease vehicles (excluding mobile district offices) that together exceed \$1,000 per month.

MEMORANDUM

To: Diana Tang
From: Darry Sragow and John R. Russell, IV
Date: October 1, 2018
Subject: DOD / Labor HHS Appropriations Summary

This Conference Summary deals with the agreement on HR 6157, FY 2019 Defense and Labor-HHS-Education Appropriations and CR, which has been signed into law.

The agreement provides FY 2019 appropriations for two annual spending measures — Defense and Labor-HHS-Education — as well as a continuing resolution to keep all federal departments and agencies operating through Dec. 7 if they don't have full-year appropriations enacted. Together, the two spending bills provide a total of \$784.5 billion in discretionary spending subject to budget caps, 63% of the \$1.244 trillion limit for FY 2019.

It provides \$674.4 billion in net discretionary funding for the Defense Department (\$19.8 billion more than FY 2018 but \$1.1 billion less than requested), including \$606.5 billion in base discretionary funding (\$17.0 billion more than FY 2018) and \$67.9 billion in OCO funding. For Labor-HHS-Education it provides \$180 billion in discretionary spending, including \$178.1 billion subject to budget caps and \$1.9 billion in program integrity funding — \$977 million more than comparable FY 2018 funding and \$10.7 billion more than requested.

Section I**Background & Summary**

In response to Congress earlier this year once again enacting a massive 12-bill omnibus appropriations measure well into the fiscal year — and President Trump vowing to never again sign such a massive measure — congressional leaders sought to get the annual appropriations process back on track and enact a number of FY 2019 spending bills before the new fiscal year begins on Oct. 1.

Buoyed by the February budget deal which raised defense and non-defense spending caps for FY 2019 to levels that are higher than the 2011 Budget Control Act's original pre-sequestration levels, which makes it easier to reach agreement on spending levels for individual bills, congressional leaders decided to package FY 2019 spending bills into relatively small multi-bill bundles (minibuses) rather than consider each individually. That in particular helps speed action in the Senate, where floor consideration is considerably slower.

The first spending package, which was comprised of three FY 2019 appropriations bills (the Energy-Water, Legislative Branch, and Military Construction-VA bills) was signed into law by President Trump on Friday, Sept. 21.

Another package of four bills is currently in House-Senate conference, but controversial policy riders and other issues are presenting obstacles and appropriators are uncertain whether they'll reach agreement before the end of the month. That spending package started with House passage of a two-bill measure (the Interior and Financial Services appropriations bills), which the Senate amended to add two additional bills (Agriculture and Transportation-HUD).

This package (HR 6157) started with House passage of the Defense Appropriations bill on its own, with the Senate adding on the Labor-HHS-Education spending bill. That combined the two spending bills that are the top priority of each respective party in an effort to garner the widest possible support to clear Congress, as well as to meet a priority of President Trump — to enact a robust Defense Appropriations bill before the beginning of the fiscal year. In past years the need to operate for prolonged periods under a stopgap CR created significant problems for the Pentagon.

As an additional inducement for members to support the combined bill, and to encourage the president to sign it, congressional leaders in conference added a CR to the package to keep all of government operating through Dec. 7. The CR will be needed to continue funding for the departments and agencies in the three remaining spending bills that have not seen floor action in either chamber (Homeland Security, Commerce-Justice-Science, and State-Foreign Operations, which are not expected to be considered until after the November elections), and possibly those four spending bills currently in conference.

The Senate adopted the conference report for this Defense-Labor-HHS-CR package last week by a 93-7 vote; House adoption of the agreement would clear it for the president's signature. But while President Trump has said he supports the strategy by congressional leaders to send him "minibus" spending packages to fund the government, he has also said he is open to shutting the government down unless Congress provides \$5 billion this year for his border wall with Mexico. GOP leaders have said they will fight for the money when Congress returns after the November elections, but many of the president's strongest supporters in Congress argue that he will lose leverage on the issue if he waits until then.

Executive Summary of HR 6157

This conference report provides full, detailed FY 2019 appropriations for two of the 12 annual spending measures — Defense and Labor-HHS-Education — and it includes a continuing resolution to keep all federal departments and agencies operating through Dec. 7 if they don't have full-year appropriations enacted.

It also extends the Violence Against Women Act, and it frees up additional disaster aid that can be used for Hurricane Florence relief and recovery efforts once the new fiscal year begins.

Together, the Defense and Labor-HHS-Education bills provide a total of \$784.5 billion in discretionary spending subject to budget caps — 63% of the \$1.244 trillion limit for FY 2019 discretionary spending set by the February budget deal. (When combined with the \$146.6 billion in discretionary spending enacted by the Energy-Water, Legislative Branch, Military Construction-VA minibus, enactment of this package would result in 75% of allowable discretionary spending for FY 2019 being enacted.)

This measure also includes \$67.9 billion in Overseas Contingency Operations (OCO)/Global War on Terrorism defense funding that is not subject to the \$1.244 trillion discretionary cap, and \$1.9 billion in program integrity funding to fight Social Security disability fraud allowed under the budget deal. (Technically, the budget caps are adjusted to accommodate the OCO and program integrity funding.)

Defense

The agreement appropriates a net total of \$674.4 billion for the Defense Department — \$19.8 billion (3%) more than the comparable FY 2018 enacted level but \$1.1 billion less than the president's request.

The total includes \$606.5 billion in base discretionary funding (\$17.0 billion more than FY 2018 but \$1.4 billion less than requested) and \$67.9 billion in OCO funding (\$2.8 billion, or 4%, more than FY 2018, but slightly lower than requested). The measure offset some of the spending increases by rescinding \$3.8 billion in previously appropriated funds. The funding levels are consistent with the FY 2019 National Defense Authorization Act (PL 115-232).

Within the total, it provides \$243.2 billion for operation and maintenance (\$4.6 billion more than FY 2018 level but \$5.1 billion less than requested); \$147.9 billion for procurement (\$3.6 billion more than FY 2018 and \$4.6 billion more than requested); and \$96.1 billion for research and development (\$6.9 billion more than FY 2018 level and \$3.7 billion more than the request).

Major Weapons

It provides about \$12 billion for ballistic-missile defense, including \$10.3 billion for the Missile Defense Agency. The total includes added funds for missile defense installations in Poland, Romania and Hawaii, \$285 million in additional funding for missile defense in Korea and \$500 million cooperative missile defense programs with Israel.

The agreement appropriates \$43.0 billion for aircraft across the services, including \$10.6 billion for procurement and development of 93 new F-35 planes (\$1.7 billion and 16 aircraft more than requested), \$1.9 billion for 24 new F/A-18E/F aircraft, and funding for a new presidential plane and helicopter.

It provides \$24.2 billion to build 13 new Navy ships — \$2.3 billion (10%) and three ships more than requested. The total includes three DDG-51 guided missile destroyers, two SSN-774 attack submarines, three Littoral Combat Ships, and the continued procurement of the Columbia Class ballistic missile submarine and new aircraft carrier.

Middle East and Europe

It provides the president's request of \$1.4 billion for Iraqi, Kurdish and other forces engaged in the fight against the Islamic State (also known as ISIS), and \$4.9 billion to train and equip Afghanistan's national army and other security forces. It includes additional funding for various initiatives in Europe in response to Russia's actions in Ukraine and Crimea, including \$250 million for weapons for Ukraine.

It also prohibits the delivery of F-35 aircraft to Turkey unless a report required by the FY 2019 Defense Authorization is submitted to Congress.

Personnel

The measure funds a total of 1,338,100 active duty forces in FY 2019 — equal to the president's request and 15,600 more than the current level, and funds a 2.6% pay raise for military personnel.

It provides \$34.4 billion for defense health care programs. The total includes \$2.2 billion for research and development, \$1.5 billion more than requested, including \$350 million for the competitively awarded peer-reviewed medical research program and \$299 million to advance other medical research priorities. It also includes \$125 million in unrequested funds for traumatic brain injury (TBI) and psychological health (PH) research and development.

The measure provides \$318 million for Sexual Assault Prevention and Response programs, including \$35 million for implementation of the Special Victims' Counsel Program across the services.

Labor-HHS-Education

The measure provides a net total of \$180 billion in discretionary spending for FY 2019 — including \$178.1 billion in discretionary spending subject to budget caps on regular spending and \$1.9 billion in program integrity funding that is not subject to the regular cap. That total is \$977 million more than the comparable FY 2018 level and \$10.7 billion (6%) more than requested by the president. The spending subject to regular discretionary caps is about \$1 billion more than current funding, according to the House Appropriations Committee.

In addition, the departments and agencies funded by the agreement would receive a total of \$866.4 billion in mandatory funding for FY 2019 for various programs and activities, including Medicaid grants to states, payments to health care trust funds, and Social Security Supplemental Security Income benefit payments. The mandatory total (which includes advance funding) is \$63.3 billion (8%) more than the FY 2018 level of mandatory funding.

The agreement includes almost \$6.7 billion to address substance abuse and mental health, including opioid and heroin abuse, with almost \$3.8 billion directly addressing opioids — an increase of \$206 million according to appropriators. It rejects deep cuts or the elimination of many programs proposed by the Trump administration, most of which would continue to be funded at or near FY 2018 levels, including the Low Income Home Energy Assistance Program (LIHEAP), Community Services Block Grants, 21st Century community learning centers and other assorted education programs, VISTA and Senior Volunteer Corps programs, AmeriCorps, and the Corporation for Public Broadcasting.

In addition, it does not include numerous House policy provisions, including those that would have overturned the Flores settlement that limits the time migrant children may be detained, that limited the

ability of HHS to administer or enforce the 2010 health care law, and that prohibited funds from going to Planned Parenthood or ended funding for teen pregnancy prevention and Title X Family Planning. However, the measure does continue the longstanding ban on using federal money for abortions, unless the mother's life is at risk or the pregnancy is a result of rape or incest.

Health and Human Services Department

The agreement provides \$90.5 billion in discretionary spending for FY 2019 for programs and activities of HHS, according to House Appropriations, \$2.3 billion (3%) more than FY 2018. HHS for FY 2019 would also receive \$805.5 billion in mandatory funding (including advance funding from previous years) for items such as Medicaid grants to states and payments to health care trust funds.

It increases funding for the National Institutes of Health by \$2.0 billion, to \$39.1 billion, including a \$425 million increase (to \$2.34 billion) for research on Alzheimer's disease and a \$100 million increase (to \$400 million) for the Cancer Moonshot research initiative. It also creates a new Infectious Disease Rapid Response Reserve Fund to quickly respond to a pandemic or other public health emergencies, funded with an initial \$50 million. Funding for programs of the Substance Abuse & Mental Health Services Administration would be increased by 11% to \$5.7 billion, and Head Start would get a \$200 million increase to \$10.1 billion.

Education Department

The agreement provides \$71.5 billion in discretionary funding for the Education Department, \$581 million (1%) more than FY 2018 and \$8.2 billion (12%) more than requested.

It increases funding for Title I education grants by \$100 million (to \$15.9 billion), increases charter school funding by 10% to \$440 million, and increases the maximum Pell Grant award for low-income students by \$100, to \$6,195. Funding for TRIO and GEAR UP are also increased, and it provides \$350 million for the public service education loan forgiveness program created by the FY 2018 omnibus appropriations act, for which the administration requested no funding.

Labor Department

The agreement provides \$12.1 billion in discretionary spending for programs and activities of the Labor Department, \$94 million less than FY 2018. The department for FY 2019 would also receive \$1.4 billion in mandatory funding for a variety of programs.

Most Labor Department programs and activities are funded at the FY 2018 level, although it reduces overall funding for the Employment and Training Administration by \$113 million (to \$9.9 billion) because of reductions to unemployment compensation programs. But it does provide a 10% increase (to \$160 million) for apprenticeship programs and a slight boost for Veteran Employment and Training activities.

CR & Other Provisions

The agreement continues funding for federal government operations for the first 10 weeks of FY 2019 — through Dec. 7 — for those federal departments and agencies not funded by an enacted full-year FY 2019 appropriations bill.

Under the measure, funding for those departments and agencies through Dec. 7 generally would be at FY 2018 rates, and all authorities, requirements and limitations imposed by their FY 2018 appropriations laws would remain in effect — although increased rates of funding would be allowed for specified activities.

By continuing funding for the Homeland Security Department at the FY 2018 level, it also makes available \$7.9 billion for the Federal Emergency Management Agency's Disaster Relief Fund that could be used for relief and recovery from Hurricane Florence, which hit the Carolinas earlier this month. The CR allows that funding to be spent at the rate necessary to carry out necessary relief and recovery activities.

The agreement also extends through Dec. 7 programs and authorities of the Violence Against Women Act to give lawmakers time to enact a multiyear extension. Absent Congressional action, the law expires on Sept. 30, 2018.

Section II

Defense Appropriations

This section describes the provisions of the conference agreement on HR 6157, FY 2019 Defense and Labor-HHS-Education Appropriations and CR, that fund U.S. defense programs and activities.

The agreement appropriates a net total of \$674.4 billion for the Defense Department — \$19.8 billion (3%) more than the comparable FY 2018 enacted level but \$1.1 billion less than the president's request.

The total includes \$606.5 billion in base discretionary funding (\$17.0 billion more than FY 2018 but \$1.4 billion less than requested) and \$67.9 billion in Overseas Contingency Operations (OCO)/Global War on Terrorism funding (\$2.8 billion, or 4%, more than FY 2018, but slightly lower than requested). The measure offset some of the spending increases by rescinding \$3.8 billion in previously appropriated funds. The funding levels are consistent with the FY 2019 National Defense Authorization Act (PL 115-232).

Within the total, it provides \$243.2 billion for operation and maintenance (\$4.6 billion more than FY 2018 level but \$5.1 billion less than requested); \$147.9 billion for procurement (\$3.6 billion more than FY 2018 and \$4.6 billion more than requested); and \$96.1 billion for research and development (\$6.9 billion more than FY 2018 level and \$3.7 billion more than the request).

It provides about \$12 billion for ballistic-missile defense, including missile defense installations in Poland, Romania and Hawaii and cooperative missile defense programs with Israel. It provides \$10.6 billion for procurement and development of 93 new F-35 planes (\$1.7 billion and 16 aircraft more than requested) and \$24.2 billion for 13 Navy ships (\$2.3 billion and three ships more than the request).

In the Pentagon's annual Selected Acquisition Reports released in April, the department estimated that the overall cost for procuring the department's major weapon systems increased 10% in 2017 and now totals \$1.92 trillion in projected costs. The reports cover the 83 major defense acquisition programs that make up the largest programs managed by the department.

Missile Defense

The agreement provides approximately \$12 billion for various missile defense programs, including funding for Ground-Based Midcourse Defense (GMD), European missile defense and cooperative programs with Israel.

The total includes \$10.3 billion for the Missile Defense Agency (MDA), including \$1.1 billion in additional funding not requested by the president to support MDA unfunded priorities and emergent threats. According to Senate appropriators, the additional funds include \$285 million for U.S. Forces Korea Joint Emergent Operational Need; \$126 million for enhanced discrimination capabilities; \$85 million to support laser scaling for boost phase intercept; \$73 million for missile defense tracking system; and \$46 million for hypersonic missile defense efforts.

Terminal Defense/THAAD

Terminal High Altitude Area Defense (THAAD) is a rapidly deployable, ground-based missile defense system with the capability to defend against short- and medium-range ballistic missiles during their late midcourse and terminal phases. A THAAD battery includes interceptor missiles, three to six launchers, an X-band radar, and a fire control and communications system. THAAD systems have been deployed to South Korea in response to North Korea's ballistic missile testing.

The agreement appropriates \$1.0 billion for THAAD launchers and tooling and test equipment, \$140 million more than requested. It also provides \$388 million for terminal research and development, \$174 million more than requested.

Aegis

The Aegis ballistic-missile defense system is a mobile, deployable system that can destroy missiles both above and within the atmosphere and that can be forward-deployed. The sea-based program is both an integrated single-ship system and a ship-to-ship network and is meant to be the centerpiece of the new missile defense system proposed for Europe. Under current plans, 41 specially equipped Aegis warships are supposed to be ready for ballistic-missile defense this year, including four in the Japanese

Maritime Self-Defense Force. Hawaii also has a test complex that supports sites in Poland and Romania designed to protect European allies from medium-range ballistic missiles.

The agreement appropriates \$741 million for Aegis research and development, and \$812 million for Aegis procurement. It also provides funds for continued research and development of the SM-3 (Standard Missile) Block IIA interceptor, which is being co-developed with Japan.

Israeli Cooperative Programs

Israel, partly with financial help from the United States, has been developing one of the world's most advanced missile defense systems. The system includes variants of the "Arrow" long-range anti-missile system to counter conventional or chemical warheads from Iran; "David's Sling," a short-range ballistic-missile defense against long-range artillery rockets and short-range cruise missiles; and the "Iron Dome" defense against short-range, relatively inaccurate Katyushas, Qassams and other projectiles fired from the Gaza Strip and southern Lebanon.

The agreement appropriates the requested \$500 million for cooperative missile defense programs with Israel, including \$200 million for procurement and \$300 million for research and development.

It also includes \$48 million for a joint U.S.- Israel anti-tunneling program to protect U.S. and Israeli forces from terrorist attacks.

Aircraft

The agreement appropriates \$43.0 billion for aircraft across the services. The total includes \$20.3 billion for aircraft for the Navy (\$209 million more than FY 2018 and \$1.2 billion, or 6%, more than requested); \$18.1 billion for Air Force planes (\$941 million less than FY 2018, but \$841 million more than requested); and \$4.6 billion for Army aircraft. The totals include funding in the OCO account.

F-35 Joint Strike Fighter

The F-35 JSF is a next-generation, multirole fighter aircraft that is supposed to be based on a common airframe and components for use by the Air Force, Navy and Marine Corps. Although the program was envisioned to save billions by creating a new streamlined business model for interservice and international procurement, it is behind schedule and estimated lifetime costs, including acquisition and operating costs, could exceed \$1.5 trillion, making it the Pentagon's most expensive weapons system ever.

The agreement appropriates \$9.3 billion for procurement of 93 new F-35 planes, which includes \$1.7 billion (10%) more than requested for 16 additional aircraft.

It also includes \$1.3 billion for continued research and development on the aircraft, including funding to make the F-35 capable of carrying nuclear weapons.

F/A-18 E/F Super Hornet

The F/A-18E/F fighter is the Navy's main fighter aircraft, and the Navy originally planned to purchase 563 Super Hornets and end its production in 2017. But because of production delays in the Navy's carrier-based F-35C, the Navy says it needs two to three additional squadrons of F/A-18 E/Fs, as older F/A-18A, B, C and D aircraft are unable to be refurbished.

The agreement appropriates \$1.9 billion for 24 new F/A-18E/F aircraft and \$1.2 billion for modifications to existing planes (\$54 million less than requested).

Aerial Refueling Tankers

The KC-46A is the Air Force's next-generation, aerial-refueling aircraft and the replacement for the KC-135. The \$35 billion program is expected to purchase 179 new, commercial off-the-shelf airliners modified for air refueling. The Air Force plans to station the aircraft at up to 10 bases, including two outside the continental United States.

The agreement appropriates \$2.3 billion for procurement of 15 aircraft, \$269 million less than the request.

Next-Generation Aircraft

The agreement appropriates \$2.3 billion for continued development of what is now called the Long-Range Strike-B (B-21) program, a stealth bomber capable of carrying nuclear weapons that could be flown by remote control. The total is \$35 million less than requested.

Concerns have been raised about the Air Force's reluctance to disclose the estimated full cost of the program, particularly if the Air Force decides it wants more than 100 bombers to replace its entire 159-aircraft bomber inventory.

The agreement also provides \$434 million to begin research and development of a next-generation fighter jet to replace the F-35 JSF after it ends production sometime around 2037. The total is \$70 million less than requested for what is otherwise known as the sixth-generation Next Generation Air Dominance program.

C-130 Hercules Transport

The C-130 Hercules cargo plane has been the military's primary cargo and personnel transport since 1956. The plane, more than 400 of which are in the Pentagon's inventory, and is supposed to operate from rough dirt strips and be the prime air transport for dropping troops and equipment into hostile areas. Basic and specialized versions are meant to perform many roles, including airlift support, Arctic ice resupply, aeromedical missions, aerial spray missions, firefighting duties for the Forest Service and natural disaster relief missions.

The agreement provides \$1.6 billion for 18 C-130J transports, \$640 million more than requested for eight additional aircraft for the Air National Guard.

Presidential Aircraft

The Air Force is developing a new presidential aircraft to replace the current Air Force One by 2024. The aircraft will be based on a Boeing 747-8, an updated larger version of the original and current 747 design, that, according to Boeing is the fastest commercial jet in the world. President Trump previously complained about the cost of developing the aircraft; a March 2016 GAO report estimated that the aircraft would cost \$3.2 billion to develop.

The agreement provides \$658 million to continue research and development of the plane, and \$649 million for procurement of six new presidential helicopters.

Other Aircraft

The agreement also appropriates the following:

- P-8A Multimission Maritime Aircraft (Poseidon) — \$1.8 billion for 10 Multimission Maritime Aircraft, the Navy's next-generation maritime surveillance aircraft meant to replace the P-3 Orion.
- V-22 Osprey — \$1.1 billion for 13 V-22 aircraft for the Navy and Air Force, including \$328 million for six additional aircraft not initially requested.
- E-2D Hawkeye — \$1.1 billion for six E-2C Hawkeye aircraft, \$340 million and two aircraft more than requested. The aircraft provides fleet commanders with long-range radar surveillance, command and control of fighter aircraft, communications relay and tactical data exchange.

Hypoxia

The House committee in its report said it remains concerned about the service-wide incidents aboard multiple aircraft in the past few years which pilots reported symptoms of hypoxia or other physiological events. It directs the Navy and Air Force secretaries, in consultation with the Surgeons General of the Navy and the Air Force, to report to Congress within 90 days of enactment on cross-service collaboration efforts and how funding is being executed to reduce physiological episodes.

Drones

Unmanned aerial vehicles (UAVs) or unmanned aerial systems (UASs) have the ability to provide firsthand reconnaissance and targeting of opposition forces without placing lives at risk. UAVs have proved particularly valuable in Afghanistan, Iraq, Yemen, Somalia and elsewhere by identifying and tracking enemy targets and conducting missions too dangerous for manned aircraft. While armed Predators and Reapers have performed well in theaters like Afghanistan where the U.S. has clear air

supremacy, the slow-moving aircraft are vulnerable to more sophisticated anti-aircraft fire that would be expected from more technologically advanced opponents.

For other missions, such large systems are expected to be replaced by large numbers of cheap, lightweight (as little as 5 ounces) micro or nano drones — "killer robots" that will have the capacity to swarm over and within their targets. Such capabilities are vital in dense urban environments, where drones will increasingly operate not only from block to block, but within tight multistory buildings themselves.

Global Hawk/U-2

The Global Hawk is a high-altitude, long-endurance unmanned aerial reconnaissance aircraft that provides military field commanders with high-resolution, near-real-time imagery of large geographic areas. The vehicle has a range of 14,000 nautical miles and can operate for up to 42 hours at an altitude of 65,000 feet. The program includes RQ-4A aircraft, as well as larger and more capable RQ-4Bs which are almost as large as a Boeing 737. (The "R" is the department's designation for reconnaissance; "Q" stands for unmanned aircraft system.)

The Air Force also continues to fly the U-2 "Dragon Lady" spy plane, a manned aircraft first deployed in 1956. Although extensively modernized, existing U-2 aircraft are, on average, 27 years old. The Air Force says the U-2, with its superior sensors, is a cost-effective platform for signals intelligence and imagery collection.

The agreement appropriates \$124 million for RQ-4 modifications, and \$222 million for RQ-4 research and development. It also provides \$38 million to refurbish and restore one U-2 to combat-ready status, and \$66 million for U-2 research and development.

Conferees note that the Air Force recently decided to transfer the Battlefield Airborne Communication Node (BACN) system to a program of record (i.e., making it a "line item record" in future budgets), and say that a need for additional BACN capacity could be satisfied with the acquisition of a new RQ-4 aircraft, the modification of an existing Global Hawk Block 30 aircraft, or the acquisition of a new E-11A aircraft.

The agreement, therefore, includes \$100 million for BACN, with conferees directing the Air Force to report to Congress within 90 of enactment on updated BACN requirements and the service's chosen course of action.

Predator/Reaper

The MQ-1 Predator provides imagery intelligence at ranges up to 500 nautical miles and carries up to 500 pounds of weapons. A new version of the aircraft, the MQ-9 Reaper, engages primarily in "hunter killer" missions like those that have killed a number of terrorists in Yemen and Iraq. The Reaper variant is armed with up to 3,000 pounds of precision-guided bombs or missiles and carries sensors that allow it to locate and destroy moving targets on the ground. The new aircraft, which began flying in 2013, also is able to fly higher and stay aloft longer than the original Predator.

The measure appropriates \$402 million for new MQ-9s, \$163 million for 10 MQ-1s, and \$544 million for three Navy MQ-4s Tritons designed for coastal and maritime surveillance.

Aircraft Carrier UAV

The department has restructured the Navy's Unmanned Carrier-Launched Airborne Surveillance and Strike (UCLASS) program and created the Carrier Based Aerial Refueling System (CBARS) program. CBARS, now designated the MQ-25 Stingray, will be an unmanned system designed to conduct automated aerial refueling of other carrier-based aircraft, as well as provide some intelligence, surveillance and reconnaissance capability. The Navy plans to invest more than \$2 billion in the CBARS program from FY 2017 through FY 2021, according to GAO.

The agreement appropriates \$519 million for the unmanned carrier system, \$200 million (28%) less than requested.

Helicopters

The Defense Department in recent year has expressed concern about the long-term health of the U.S. helicopter industry, with department officials describing the domestic industry as stagnant and facing serious challenges from foreign builders. To help preserve the industry, the department has proposed centralizing the different services' research and development funds and targeting them to where they can have the most impact, an initiative that would include a partnership between government and an industry consortium.

The agreement appropriates the following for the purchase or development of military helicopters:

- UH-60 Blackhawk — \$1.2 billion for 58 new UH-60M multiuse Black Hawks for the Army and Guard, \$149 million and eight aircraft more than requested.
- UH AH-64 Longbow Apache — \$1.2 billion to purchase 66 new AH-64 Apache attack helicopters and upgrade 50 existing aircraft to the Longbow configuration. The total is \$168 million more than requested to purchase six additional aircraft. The Apache Longbow is the Army's upgraded heavy-attack helicopter.
- AH-1Z Huey — \$798 million for 25 AH-1Z upgrades. The UH-1 Huey is considered the most successful military helicopter in history, with more than 16,000 airframes manufactured since 1956. The AH-1Z is part of the H-1 upgrade program for the Marine Corps.
- CH-53K Super Stallion — \$1.0 billion for eight new Super Stallions transport helicopters, \$106 million less than requested. The Super Stallion is a large, heavy-lift cargo helicopter currently being developed by Sikorsky Aircraft for the Marine Corps. It is intended to transport armored vehicles, equipment and personnel to support operations deep inland from a sea-based center of operations, and will be the largest and heaviest helicopter in the U.S. military. The measure also provides \$337 million for research and development of the aircraft.
- HH-60W Whiskey — \$660 million for 10 combat rescue helicopters. The new 60-Whiskey helicopter can be deployed in medical evacuation, non-combatant evacuation missions, civil search-and-rescue, humanitarian aid, disaster relief, and insertion or extraction of combat forces.

Navy Shipbuilding

The Navy currently has 283 deployable warships, including aircraft carriers, submarines and amphibious support ships. About half are deployed away from their home ports. In addition, the Navy has close to 170 support ships that are part of the Military Sealift Command and the Ready Reserve Force. The Defense Department says that eight to 10 new ships are needed each year to maintain the current fleet, and, according to the most recent 30-year plan, the Navy envisions a total of 355 warships by 2046.

Under its plan, the Navy would field a total of 12 aircraft carriers (up from the current 10), modular support ships like the Littoral Combat Ship (LCS), and a mix of ballistic- and cruise-missile subs, including the new nuclear-powered Virginia-class attack submarine and the new Columbia-class ballistic missile sub that is set to replace Ohio-class boats. A recent report from the Navy's Chief of Naval Operations also called for extending the service life of existing ships like the Arleigh Burke-class destroyer.

The agreement appropriates \$24.2 billion to build 13 new Navy ships — \$2.3 billion (10%) and three ships more than requested and \$325 million more than current shipbuilding funding. The total includes three DDG-51 guided missile destroyers, two SSN-774 attack submarines, three Littoral Combat Ships, one Towing, Salvage, and Rescue Ship, two TAO fleet oilers, one Expeditionary Sea Base, one fast transport and the continued procurement of the Columbia Class ballistic missile submarine and new aircraft carrier.

Specifically, it includes the following for new ships:

- New Attack Submarine — \$7.1 billion for construction and long-lead components for the next two boats in the Virginia class of new attack submarines. The House committee in its report directs the Navy to submit a report within 90 days of enactment on a five-year submarine maintenance plan that restores submarine operational availability and fully utilizes both public and private nuclear-capable shipyards.
- Littoral Combat Ship — \$1.6 billion for three Littoral (coastal) Combat Ships, a small, specialized variant of the DDG family of future surface-combat ships. The total includes \$925 million in unrequested funding for two additional ships.

- DDG-51 Destroyer — \$5.9 billion for the next three DDG-51 vessels, including \$642 in advanced procurement funding.
- TAO Fleet Oiler — \$977 million for the next two naval auxiliary fuel ships.

It also includes the following for existing shipbuilding programs:

- New Ballistic Missile Submarine — \$3.2 billion for long-lead components for the new Columbia-class missile boat, and \$543 million for research and development.
- Aircraft Carriers — \$1.6 billion for the new carrier program and \$426 million for refueling overhauls of existing ships. The measure allows the Navy to use FY 2019 funds to enter into a contract for an aircraft carrier designated CVN-81 if certain requirements are met, but it highlights Senate report language stating that Congress has not received information justifying the validity of a proposed "two carrier block buy" — including an Independent Cost Estimate, an analysis of the impact on other Navy shipbuilding programs, an updated future years defense program, or an extended planning range budget.

Combat Vehicles & Troop Protection

In the past decade, the Army began the process of transforming itself into a more strategically responsive force as part of the department's campaign to transform the military into a faster, lighter force. The transformation is partly a function of "asymmetric" adversaries like the Islamic State taking the battle to cities where traditional weapons like heavy tanks and air power are less effective in the midst of dense civilian populations being used as human shields. Consequently, the military envisioned replacing some traditional tanks with smaller vehicles better able to maneuver city streets, as well as unmanned ground vehicles that perform tasks now assigned to soldiers, such as carrying supplies, entering caves and searching for minefields.

However, the need for more conventional heavier forces remains, particularly as the military shifts its focus away from counterterrorism operations and towards traditional great power confrontations, where the Army is seeking to field additional new and upgraded armored vehicles in Armored Brigade Combat Teams (ABCTs.) The teams are designed around combined arms battalions that contain both M1 Abrams tanks and M2 Bradley infantry fighting vehicles, with other vehicles such as HMMWVs and M113 armored personnel carriers operating in a supporting role.

The agreement includes the following appropriations:

- Abrams Tanks — \$1.5 billion to upgrade 135 Abrams tanks to the M1A2 configuration. The M1A2 (SEP) tank is an upgraded, fully digitized, 72-ton Abrams tank with night vision capabilities. It can reach a top speed of 42 miles per hour, with a range of 243 miles.
- Bradley Fighting Vehicles — \$720 million to upgrade Bradley Fighting Vehicles. The Bradley base sustainment program upgrades earlier variants of the Bradley to the more lethal and survivable Bradley A3.
- Stryker — \$393 billion for Stryker Double V-hull upgrades. The 20-ton Stryker has a two-person crew, carries a squad of nine soldiers and can travel more than 60 mph on highways and up to 300 miles on its 50-gallon gas tank. The double V-shaped hull model was designed to better dissipate the force of roadside explosions. The conferees also direct the Army secretary to submit a report outlining a revised acquisition strategy for the vehicles.

Munitions

The agreement appropriates \$18.3 billion for missile and ammunition programs, including \$380 million in additional funding not requested by the president for high priority munitions programs.

Tomahawk

The conferees express concern regarding the Navy's management of the Tomahawk missile program. In the last two fiscal years, Congress has added funding above the budget requests for the Tomahawk program due to the fact that the Navy has requested fewer missiles than needed to maintain a minimum sustainment rate, and given the use of missiles in military operations, conferees say.

The FY 2018 Defense Appropriations Act included \$102 million more than the Navy requested to procure additional munitions, but the Navy is now proposing to use that funding to purchase support and

test equipment. The agreement, therefore, rescinds \$116 million of FY 2018 funds from the Tomahawk program and directs the Navy to report to Congress within 90 days of enactment on the inventory requirement and current level for the Tomahawk missile, and the feasibility of restarting missile production in FY 2020.

It also provides the president's request of \$99 million for new Tomahawk missiles.

Conventional Bunker Buster

The George W. Bush administration proposed modifying a nuclear bomb to tunnel into the ground before detonation in order to destroy reinforced underground command posts and weapons arsenals, such as those in North Korea and Iran. But a National Academy of Sciences report found that earth-penetrating nuclear weapons, while effective at destroying military targets deep underground, would also cause "massive casualties" above ground. The weapon was never funded or built.

The Defense Department, however, continued to work on a new conventional weapon known as a "Massive Ordnance Penetrator": a 30,000-pound "bunker buster" bomb to be carried on the B-2 stealth or B-52 bomber, that is said to be capable of penetrating 60 feet of concrete and even greater depths of rock. The first new generation bomb was delivered to the Air Force in 2014.

The agreement provides \$38 million for the massive ordnance penetrator. It also appropriates \$37 million for the Hard and Deeply Buried Target (HDBT) program, which is focused on providing the Air Force with other conventional munitions to attack hardened and below-ground facilities. The total is \$35 million (49%) less than requested.

Hypersonic Weapons

The department is exploring a land-based Conventional Prompt Global Strike (CPGS) warhead. The new advanced "hypersonic" weapon would travel through the atmosphere at several times the speed of sound (3,600 mph or greater), but since it would remain within the atmosphere rather than going into space it would be far more maneuverable than a ballistic missile, capable of avoiding the airspace of neutral countries or steering clear of hostile territory. The head of the Defense Advanced Research Projects Agency (DARPA) has said his office is trying to test a hypersonic missile before 2020, and both Russia and China are trying to develop similar weapons.

The agreement appropriates \$92 million for CPGS research, \$41 million (31%) less than requested, and it provides \$467 million for engineering and development — \$204 million (78%) more than requested to accelerate the program.

It also provides \$617 million in unrequested funding to support and accelerate offensive and defensive hypersonics research and prototyping efforts.

Advanced Research

According to appropriators, the agreement also includes additional unrequested funding for the following:

- Artificial Intelligence (AI) — \$147 million in additional funding to accelerate AI systems that can be rapidly adapted to warfighting.
- Cyber — \$306 million to expand and accelerate cyber research.
- Space — \$417 million to develop enhanced offensive and defensive space capabilities.
- Microelectronics — \$397 million to ensure access to trusted microelectronics and develop manufacturing processes for next generation chips.
- Directed Energy — \$184 million in added funding to further develop directed energy technology and transition these activities to both offensive and defensive capabilities in the future.
- Testing — \$326 million in additional funding to increase testing range space and availability, and ensure continued independent assessments of weapon system capabilities.

National Guard & Reserve

The agreement appropriates \$1.3 billion in unrequested funds for the National Guard and Reserves. Appropriators say the funds will allow the National Guard and Reserve components to procure high-

priority equipment that may be used by those units for both their combat missions and their missions in support of state governors, and to ensure full interoperability with the active duty force.

The measure also includes \$120 million in unrequested funds to modernize Army National Guard Humvee ambulances.

Overseas Contingency Operations

The agreement appropriates a total of \$67.9 billion for Overseas Contingency Operations (OCO) associated with the war in Afghanistan and other counterterrorism operations such as the fight against ISIS.

It provides the president's request of \$1.4 billion for Iraqi, Kurdish and other forces engaged in the fight against the Islamic State (also known as ISIS), and \$4.9 billion to train and equip Afghanistan's national army and other security forces. It also includes additional funding for various initiatives in Europe in response to Russia's actions in Ukraine and Crimea, including \$250 million for weapons for Ukraine.

Funding elsewhere in the measure, however, also could be used to support those operations. The bill's OCO total is \$2.7 billion more than the OCO total for FY 2018, and slightly less than requested. Islamic State

The agreement provides \$1.35 billion for the Counter-ISIS Train and Equip Fund to support aid to Kurdish fighters and others battling the Islamic State in Syria and Iraq. The total is \$417 million (23%) below the FY 2018 level and \$48 million less than requested.

Conferees note that the Peshmerga forces of the Kurdistan Region of Iraq have made significant contributions to the U.S.-led campaign to defeat the Islamic State, and say that a lasting defeat of ISIS is critical to maintaining a stable and tolerant Iraq in which all faiths, sects, and ethnicities are afforded equal protection and full integration into the government and society of Iraq.

They also state that the United States should provide the Peshmerga forces with \$290 million so that they can more effectively partner with the Iraqi Security Forces, the United States, and other international coalition members to defeat ISIS.

Afghan Security Forces

The measure provides \$4.9 billion to train and equip Afghanistan's national army and other security forces, including the national police, \$254 million more than the current level but \$279 million less than requested. The total includes \$1.9 billion for the Army, \$1.8 billion for the Air Force, \$766 million for Afghanistan's national police and \$702 million for Afghan special security forces. The measure also assumes an "undistributed reduction" of \$279 million.

It also limits assistance to Afghan Security Forces who have committed gross violations of human rights, extends for one year the authority for the department to provide excess defense articles to Afghanistan, and directs that up to \$10 million be used for the recruitment and retention of women in the Afghanistan national security forces.

Defense Security Cooperation Agency

The agreement provides a total of \$2.5 billion for the Defense Security Cooperation Agency (DSCA), including \$1.8 billion in OCO funding. The total is \$471 million less than requested. Much of this funding in the OCO account has gone to Pakistan, although the measure restricts certain aid to Pakistan unless the president certifies Islamabad is cooperating on various anti-terror initiatives.

The DSCA provides financial and technical assistance, transfer of defense material and training and services to allies, and also promotes military-to-military contacts. DSCA coordinates global security cooperation programs across the Office of the Secretary of Defense, Joint Staff, State Department and U.S. industry. It also handles the Defense Department's Foreign Military Sales and Financing programs, as well as International Military Education and Training, and Humanitarian Assistance, Disaster Relief and Mine Action.

The measure provides that at least \$500 million of DSCA funds be used for assistance to Jordan in its fight against ISIS, including aid to provide security along its border with Syria and Iraq. Jordan can also receive funds from other accounts in the measure.

Ukraine/Russia

The agreement appropriates \$250 million for assistance to the military and national security forces of Ukraine, \$50 million more than the FY 2018 level.

Under the measure, the funds can be used for training, equipment, lethal weapons of a defensive nature, logistics support, supplies and services, intelligence support, and for replacement of any weapons or defensive articles provided to Ukraine from the U.S. military's inventory. However, it prohibits the use of funds to procure or transfer man-portable air defense systems (i.e., shoulder-fired anti-aircraft missiles) to Ukraine.

The measure provides \$6.5 billion for the European Deterrence Initiative (formerly the European Reassurance Initiative), 38% more than current funding. The initiative was started by the Obama administration to bolster the defense of NATO allies after Russia's military incursions in Crimea and Ukraine, and involves keeping some U.S. troops in countries along Russia's border.

Funds would be used for pre-positioned equipment, additional intelligence, surveillance and reconnaissance, training range capacity and capability, and partnership programs between the U.S. and its allies.

Nunn-Lugar

The agreement provides \$350 million for the Cooperative Threat Reduction program, known as CTR or Nunn-Lugar, to assist in the continued denuclearization and demilitarization of the states of the former Soviet Union. The total is \$15 million more than requested and equal to the FY 2018 level.

The total includes \$15 million more for added global nuclear security, and the president's request of \$197 million for preventing biological weapons proliferation.

Turkey

The agreement prohibits the delivery of F-35 aircraft to Turkey unless a report required by the FY 2019 Defense Authorization (PL 115-232) is submitted to Congress.

That law requires the Defense secretary, in consultation with the secretary of State, to report to Congress on the U.S.-Turkish relationship. The report must include an assessment of the operational and counterintelligence risks posed by Turkey's planned purchase of the Russian-made S-400 air and missile defense system to U.S. weapons systems and platforms operated jointly with Turkey, including F-35 aircraft. The authorization also prohibits the delivery of F-35 aircraft to Turkey until the report is delivered.

Turkey is the only NATO member which plans to purchase the Russian-made S-400 missile defense system. Concerns have been raised that if Turkey operates both the F-35 and the S-400 system — which would necessitate Russian trainers — Russian experts would be better able to study both the plane's capabilities and its potential vulnerabilities.

Operation & Maintenance

Operation and Maintenance (O&M) constitutes the largest segment of defense spending, accounting for more than one-third of total military expenditures. Although O&M — which includes funding for training, supplies and equipment maintenance — is considered the department's "readiness" account, it also includes funds for the Defense Department's administrative functions, environmental restoration, cooperative threat-reduction efforts and humanitarian assistance, as well as many other programs.

The agreement provides \$193.7 billion in its regular accounts to operate and maintain U.S. forces and to maintain materials and facilities worldwide in FY 2019. It also provides \$49.5 billion in O&M spending as part of the OCO portion — bringing the measure's overall O&M appropriation to \$243.2 billion. The combined total is \$4.6 billion more than the FY 2018 enacted level but \$5.1 billion less than requested.

The additional funds over 2018 levels are to support for increased flight time and battle training, equipment and facility maintenance, and base operations. Non-war O&M would be increased by \$5.4 billion (3%) over FY 2018, with reductions across the board for reserve components but major increases for defense-wide O&M (4.5% more), Army O&M (3.4% more) and Navy O&M (almost 6% more).

According to Senate appropriators, it includes \$750 million more than requested by the president to mitigate higher than anticipated fuel costs; \$302 million in added funds for facility sustainment, restoration

and modernization; \$48 million for enhanced protective equipment such as helmets and ear protection; \$26 million for training range upgrades; and \$330 million for various Defense-wide programs such as impact aid for schools, innovative readiness training, and multiple initiatives included in the FY 2019 Defense Authorization Act.

Drug Interdiction

The agreement appropriates \$1.0 billion for drug interdiction activities of the U.S. military, \$94 million more requested. The total includes \$153 million in OCO funding; most of those funds will be for activities in Afghanistan.

Within the total, \$217 million would be provided to the National Guard for its counterdrug programs that work with state and local law enforcement within the United States, and \$122 million is for military drug demand reduction efforts, including drug testing. The National Guard total is \$100 million more than requested.

Meals Ready-To-Eat

The measure provides the full request for the Defense Logistics Agency to maintain 2.5 million cases of meals ready-to-eat. The conferees also reaffirm support for the war reserve stock objective of five million cases.

Military Personnel

The agreement appropriates \$143.2 billion for military personnel, including costs of pay, allowances, bonuses, survivor benefits and permanent change-of-station moves. The total includes \$4.7 billion in the OCO section of the measure.

The base total includes \$138.5 billion for personnel (4% more than FY 2018 but 1% less than requested), while the OCO account provides \$4.7 billion (8% more than current funding).

(For more detailed background on personnel and associated issues, see House Action Reports Conference Summary No. 115-3. July 25, Defense Authorization for FY 2019.)

Force Levels

The measure funds a total of 1,338,100 active duty forces in FY 2019 — equal to the president's request and 15,600 more than the current level. The total includes 487,500 for the Army (4,000 more than the FY 2018 level); 335,400 for the Navy (7,500 more than the current level); 329,100 for the Air Force (4,000 more); and 186,100 for the Marine Corps (100 more).

It also funds the president's request for 817,700 Guard and Reserve forces, 800 more than the current level.

Military Pay Raise

The agreement's funding would support an across-the-board 2.6% pay increase for military personnel, equal to the president's request.

Its funding also supports an 1.9% increase for civilian employees of the department (although that increase would be contingent upon the enactment of other legislation), and it funds the extension of certain special pay and bonuses for active-duty and reserve personnel, as well as 100% of troop housing costs.

Defense Department Dependent Schools

The agreement provides \$2.9 billion for Defense Department dependent schools, which now educate more than 100,000 military children each year. The total is slightly less than the request and includes \$32 million in the OCO account.

It also provides \$40 million in unrequested funds for Impact Aid and \$10 million for Impact Aid for children with disabilities. The Education Department's Impact Aid program provides supplementary funds to school districts nationwide in order to support the education of nearly 600,000 children of servicemembers.

Sexual Harassment

The measure provides \$318 million for Sexual Assault Prevention and Response programs, including \$35 million for implementation of the Special Victims' Counsel Program across the services.

It also prohibits the use of funds for federal contracts in excess of \$1 million unless the contractor agrees that it will not require employees or independent contractors to use arbitration to resolve any complaint involving sexual assault or harassment. Contractors must also certify that each covered subcontractor agrees to do the same.

The House committee in its report expressed concern regarding reports of sexual assault and harassment among students at schools managed by the department, noting that local government officials do not have uniformly established jurisdiction when dealing with criminal offenses of juvenile members of the military community on domestic military installations.

It therefore directs the Defense secretary, in conjunction with the Justice Department, to explore opportunities to establish memorandums of understanding with state and local prosecutors to adjudicate juvenile criminal cases on military installations. It also directs the secretary to report to Congress within 120 days of enactment on such efforts.

Military Death Gratuities

The agreement exempts military death gratuities from being withheld in the event of a government shutdown.

Survivors of troops killed on duty were forced to wait for death gratuity payments during the past few government shutdowns.

Defense Health Program

The agreement appropriates \$34.4 billion for defense health care programs (including \$352 million in OCO funding) — \$464 million less than FY 2018 funding but \$278 million more than requested.

The total includes \$15.1 billion for care in the private sector, \$9.6 billion for in-house care, and \$2.0 billion for information management.

It includes \$2.2 billion for research and development, \$1.5 billion more than requested, including \$350 million for the competitively awarded peer-reviewed medical research program and \$299 million to advance other medical research priorities. It also includes \$125 million in unrequested funds for traumatic brain injury (TBI) and psychological health (PH) research and development.

After 9/11, the military health care system was one of the fastest-growing parts of the defense budget, due to a general rise in medical costs, greater use by military retirees and their dependents, and congressionally imposed increases in benefits. In recent years, however, modifications have been made to modestly reduce the department's health care budget. At present, active-duty troops receive free health care while their families receive care at little or no cost, depending on the coverage they choose. Wounded, disabled and indigent veterans receive care through the Veterans Affairs (VA) Department.

Peer-Reviewed Research

The agreement includes \$350 million in unrequested funds for general peer-reviewed medical research, \$130 million in unrequested funds for research and treatment related to breast cancer, \$100 million for basic and clinical research on prostate cancer, \$20 million for ovarian cancer, \$14 million for lung cancer and \$20 million for kidney cancer research.

It also provides \$90 million for a Peer-Reviewed Cancer Research Program that would research cancers not addressed in the department's current breast, prostate, ovarian and lung cancer research programs. The funds are for research in only the following areas: bladder cancer, brain cancer, colorectal cancer, listeria vaccine for cancer, liver cancer, lymphoma, melanoma and other skin cancers, mesothelioma, pancreatic cancer, stomach cancer, and cancer in children, adolescents and young adults.

The House committee report directed the department to report to Congress within 180 days of enactment on the status of the components of the peer-reviewed cancer research program, including funding amounts awarded, the progress of the research and the relevance of the research to servicemembers and their families.

Electronic Health Records

The House committee expressed support for the efforts of the Defense and Veterans Affairs Departments to make their electronic health records interoperable with seamless compatibility, but noted

concerns with aspects of the initial fielding of the Military Health System (MHS) Genesis electronic health record program. It noted that a recent report described the fielding of MHS Genesis as "neither operationally effective nor operationally suitable" at this time.

Conferees direct GAO to perform a review of the implementation of MHS Genesis at the four currently active sites and report to Congress within 180 days of enactment. They further direct GAO to perform quarterly performance reviews of the department's electronic health record deployment, and direct the Interagency Program Office (IPO) director to continue to provide quarterly reports on the progress of interoperability between the two departments.

Other Health Programs

The measure also funds the following activities: \$22 million for the Gulf War Illness Peer-Reviewed Research Program; \$21 million for HIV/AIDS programs, including \$8 million for global HIV prevention efforts; \$5 million for tickborne disease research; \$10 million for ALS ("Lou Gehrig's disease") research; \$30 million for spinal cord research; \$4 million to study alcohol and substance abuse; \$7.5 million for autism research; \$15 million for Alzheimer's disease research; \$20 million for vision research and \$10 million for hearing restoration research; and \$12 million for reconstructive transplant research.

Environmental Provisions

The agreement appropriates \$1.2 billion to rectify contamination caused by past actions, ensure current compliance and prepare a more environmentally sensitive military establishment for the future, \$184 million more than requested.

Chemical Agents & Munitions Destruction

The measure provides \$994 million to destroy chemical agents and munitions, equal to the request.

In 1997, the United States ratified the Chemical Weapons Convention Treaty and agreed to destroy its declared stockpile of chemical warfare agents (including nerve agents and vesicants or blister agents), which were stored at nine sites either in bulk containers or as assembled munitions. Chemical agent disposal facilities were built at each site to destroy the stockpile using either incineration or neutralization. To date, more than 90% of the U.S. stockpile has been destroyed.

Drinking Water

The measure includes \$134 million in unrequested funds to address costs at military installations associated with remediating contamination caused by perfluorinated chemicals.

In March, the Defense Department reported to Congress that water at or around 126 military installations contains potentially harmful levels of perfluorinated compounds (PFOS/PFOA), which have been linked to cancers and developmental delays for fetuses and infants. Drinking supplies on or near 90 military bases have been contaminated by such substances. At military bases, the compounds are concentrated in the foam used to put out aircraft fires.

Lead Screenings

Conferees express concern that servicemembers and their families residing in on-post military housing may have been exposed to toxic levels of lead based paint, and say they recognize the importance of screening and testing children for elevated blood lead levels to prevent childhood lead toxicity.

They therefore direct the Defense secretary to provide risk assessments and targeted blood testing for elevated blood lead levels to all Tricare beneficiary children during their 12-month and 24-month wellness checks or annual physical examinations. They also direct the GAO to conduct an investigation and report to Congress on toxic lead levels at military housing on all installations within 120 days of enactment.

Army Corps of Engineers

Conferees note that in July the Defense secretary approved an Army memorandum identifying specific actions the Army will take in support of the administration's proposed reorganization of the United States Army Corps of Engineers' (USACE) Civil Works Program — which would relocate major corps responsibilities to the Transportation and Interior Departments.

They say they oppose the reorganization because it could have detrimental readiness and operational impacts on Defense Department functions and activities, and express concern that the Army secretary

failed to provide any notification or engage in any discussion with Congress on such an action. The agreement, therefore, prohibits the use of any funds to plan, prepare, or implement the proposal.

Other Defense Funding

The agreement also appropriates the following:

- Humanitarian Assistance — \$118 million for international humanitarian assistance, \$10 million more than requested. Activities under the program include foreign disaster and emergency assistance relief, as well as the provision of excess nonlethal supplies.
- Office of Economic Adjustment — \$60 million to aid communities that are adversely affected by defense program changes, including base closures or realignments, base expansions, and contract or program cancellations.
- Defense Production Act — \$54 million to address industrial resource shortfalls and to promote critical technology items essential to national defense, \$15 million more than requested.
- Civil-Military — \$237 million for civil-military programs, \$71 million more than requested. The programs aim to improve the life skills and employment potential of youths who drop out of secondary school by providing military-based training from the Guard.
- De-Mining — \$11 million for research on humanitarian de-mining programs and \$10 million for operations.
- POW/MIA — \$161 million for the Pentagon's Prisoner of War/missing persons office, \$10 million more than requested.
- Radio/TV — \$232 million for the Armed Forces Information Service, including \$14 million in the OCO account.
- Civil Air Patrol — \$34 million for the Civil Air Patrol.
- Inspector General — \$354 million for the Pentagon's Office of Inspector General, including \$25 million in the OCO account.
- Historically Black Colleges & Universities — \$40 million for science programs at historically black colleges and universities and other minority institutions, \$10 million more than requested.

Rescissions

The agreement rescinds a total of \$3.8 billion in previously appropriated funds — including \$2.5 billion in base defense funding and \$1.3 billion in OCO funding.

Rescissions from base funding include \$1.3 billion from the Air Force (including \$365 million in aircraft procurement, \$223 million in space procurement, and \$491 million in research and development), \$562 million from the Army (including \$211 million in procurement for weapons and tracked combat vehicles and \$191 million in research and development), and \$435 million from the Navy (including \$185 million in shipbuilding funds and \$116 million in weapons procurement).

OCO rescissions include \$800 million from the Coalition Support Fund, \$300 million from the Counter-ISIS Train and Equip Fund, \$150 million from DSCA Security Cooperation, and \$88 million from Air Force aircraft procurement.

Guantanamo & Other Funding Prohibitions

Like the defense authorization agreement, the measure continues to prevent the closure of the detention facility at the U.S. Naval Station, Guantanamo Bay, Cuba, and continues restrictions on the president's ability to transfer detainees suspected of participating in acts of terrorism. It also continues to prohibit the use of any funds for the construction or modification of any facility in the United States to detain or imprison individuals currently being held at Guantanamo.

It also includes a number of policy provisions that prohibit the use of funds for certain other activities, including the following:

- Base Closure — Prohibits the use of funds to start another round of base closures.
- Strategic Weapons — Prohibits the use of funds to reduce or prepare to reduce the number of deployed and non-deployed strategic delivery vehicles and launchers (i.e., primarily nuclear weapons).

- Nuclear Interceptors — Prohibits the use of funds to develop a nuclear armed interceptor for use in a missile defense system.
- North Korea — Prohibits assistance for North Korea unless specifically appropriated.
- Surveillance — Prohibits the use of funds by the National Security Agency to target U.S. persons under authorities granted in the Foreign Intelligence Surveillance Act (FISA).
- Gun Disposal — Generally prohibits the use of funds to demilitarize or dispose of surplus firearms.
- Foreign Purchases — Generally prohibits the use of funds to purchase, from non-U.S. suppliers, supercomputers, foreign anchors, mooring chains, ball bearings or certain steel.
- Russian Helicopters — Prohibits the use of funds to enter into a contract, memorandum of understanding or cooperative agreement with, make a grant to or provide a loan or loan guarantee to the Russian defense contractor Rosoboronexport, except under certain conditions.
- Military Parades — Restricts the use of funds for motorized vehicles, aviation platforms, certain munitions, operational military units, or operational military platforms in military parades if the secretary determines that providing such would undermine their readiness.

Section III

Labor-HHS-Education

This section describes the provisions the conference agreement on HR 6157, FY 2019 Defense and Labor-HHS-Education Appropriations and CR, that fund programs and activities of the Labor, Health and Human Services, and Education departments, as well as several related agencies.

The measure provides a net total of \$180 billion in discretionary spending for FY 2019 — including \$178.1 billion in discretionary spending subject to budget caps on regular spending and \$1.9 billion in program integrity funding that is not subject to the regular cap. That total is \$977 million more than the comparable FY 2018 level and \$10.7 billion (6%) more than requested by the president. The spending subject to regular discretionary caps is about \$1 billion more than current funding, according to the House Appropriations Committee.

(On a programmatic basis, after certain offsets and other elements are factored in which allow greater spending above scored discretionary caps, the measure provides a total of \$187.8 billion in actual discretionary appropriations for use by the departments and agencies funded by the measure, according to the Senate Appropriations Committee, \$2.3 billion more than the comparable FY 2018 total. The amount available for FY 2019 includes \$24.4 billion in advance funding provided by prior appropriations acts; the measure includes an identical amount of advance discretionary funding for future years.)

In addition, the departments and agencies funded by the agreement would receive a total of \$866.4 billion in mandatory funding for FY 2019 for various programs and activities, including Medicaid grants to states, payments to health care trust funds, and Social Security Supplemental Security Income benefit payments. The mandatory total (which includes advance funding) is \$63.3 billion (8%) more than the FY 2018 level of mandatory funding.

The agreement includes a total of \$9.0 billion in rescissions: including \$7.7 billion from the Children's Health Insurance Program (CHIP; including \$2.1 billion in unused CHIP funds and \$5.7 billion from CHIP's Child Enrollment Contingency Fund), \$600 million from Pell grants and \$400 million from the Nonrecurring Expenses fund.

Highlights

The agreement increases discretionary funding for the Health and Human Services (HHS) and Education departments by almost 3% and 1% respectively, but reduces discretionary funding for the Labor Department by about 1%. Under the measure, HHS would receive \$90.5 billion in discretionary spending (\$2.3 billion more) while Education would receive \$71.5 billion (\$581 million more) and Labor \$12.1 billion (\$94 million less).

Within those departments, appropriators say almost \$6.7 billion is provided within HHS to address substance abuse and mental health, including opioid and heroin abuse, with almost \$3.8 billion addressing opioids — an increase of \$206 million. Funding for the National Institutes of Health within HHS would be increased by \$2.0 billion to \$39.1 billion, including a \$425 million increase (to \$2.34 billion) for research on Alzheimer's disease and a \$100 million increase (to \$400 million) for the Cancer Moonshot research initiative. The measure also creates a new Infectious Disease Rapid Response Reserve Fund to quickly respond to a pandemic or other public health emergency, funded with an initial \$50 million. It also provides a \$200 million increase (to \$10.1 billion) for Head Start.

Within the Education Department, it increases funding for Title I education grants by \$100 million (to \$15.9 billion), increases charter school funding by 10% to \$440 million, and increases the maximum Pell Grant award for low-income students by \$100, to \$6,195. Funding for TRIO and GEAR UP are also increased, and it provides \$350 million for the public service education loan forgiveness program created by the FY 2018 omnibus appropriations act.

For the Labor Department, most programs and activities are funded at the FY 2018 level, although it reduces overall funding for the Employment and Training Administration by \$113 million (to \$9.9 billion) because of reductions to unemployment compensation programs. But it does provide a 10% increase (to \$160 million) for apprenticeship programs.

Throughout the measure it rejects deep cuts or the elimination of many programs proposed by the Trump administration. Those programs, most of which would continue to be funded at or near FY 2018

levels, include the Community Service Employment for Older Americans program, health workforce diversity training and numerous nursing and other health programs, the Low Income Home Energy Assistance Program (LIHEAP), preschool development grants, Community Services Block Grant programs, literacy development grants, 21st Century community learning centers, teacher and other assorted education grants, the TRIO and GEAR UP programs, VISTA and Senior Volunteer Corps programs; AmeriCorps, and the Corporation for Public Broadcasting.

In addition, the agreement does not include numerous House policy provisions, including those that would have overturned the Flores settlement that limits the time migrant children may be detained, limited the ability of HHS to administer or enforce the 2010 health care law, prohibited funds from going to Planned Parenthood, or ended funding for teen pregnancy prevention and Title X Family Planning. However, the measure does continue the longstanding ban on using federal money for abortions, unless the mother's life is at risk or the pregnancy is a result of rape or incest.

Health and Human Services Department

The agreement provides \$90.5 billion in discretionary spending for FY 2019 for programs and activities of the Health and Human Services (HHS) Department, according to House Appropriations, \$2.3 billion more than FY 2018.

HHS for FY 2019 would also receive \$805.5 billion in mandatory funding (including advance funding from previous years) for items such as Medicaid grants to states and payments to health care trust funds.

Public Health Service Programs

The agreement provides \$60.3 billion for programs and activities of HHS Public Health Service agencies for FY 2019 — including the Centers for Disease Control (CDC), National Institutes of Health (NIH), Health Resources and Services Administration (HRSA), and Substance Abuse and Mental Health Services Administration (SAMHSA).

The public health service total is \$2.4 billion (4%) more than the comparable FY 2018 total, and \$6.6 billion (12%) more than requested.

National Institutes of Health

The measure provides \$39.1 billion for the National Institutes of Health (NIH) — \$2.0 billion (5%) more than FY 2018 and \$4.5 billion (13%) more than requested. As requested, it establishes new innovation accounts specifically for cancer, mental health, and neurological disorders and stroke. These accounts were authorized in the 21st Century Cures Act (PL 114-255).

The National Cancer Institute would receive \$6.1 billion, \$479 million (8%) more than FY 2018 and 8% more than requested. Of that total, \$400 million is the new NIH Innovation account within NCI for the Cancer Moonshot, as requested. In its report, the House committee encourages NCI to develop a pilot program to determine how more underserved and minority individuals could participate in clinical trials of new cancer treatments and be reimbursed for their costs.

It also provides \$2.3 billion for the National Institute of Neurological Disorders and Stroke (6% more than FY 2018 and 24% more than requested), including \$58 million for its new innovation account, and \$1.9 billion for the National Institute of Mental Health (9% more than FY 2018 and 16% more than requested), also including \$58 million for its new innovation account.

Other major institutes would receive the following: \$5.5 billion for the National Institute of Allergy and Infectious Diseases (5% more than FY 2018 and 16% more than requested); \$3.5 billion for the National Heart, Lung and Blood Institute (3% more than FY 2018 and 12% more than requested); \$2.2 billion for the National Institute of Diabetes and Digestive and Kidney Diseases; (3% more than both FY 2018 and the request); \$3.1 billion for the National Institute on Aging (20% more than FY 2018 and 55% more than requested); \$1.5 billion for the National Institute of Child Health and Human Development (4% more than FY 2018 and 12% more than requested); \$1.4 billion for the National Institute on Drug Abuse (3% more than FY 2018 and 25% more than requested); and \$2.9 billion for the National Institute of General Medical Sciences (3% more than FY 2018 and 12% more than requested).

Appropriators note that within the funding provided, the measure increases Alzheimer's research by \$425 million (to a total of \$2.3 billion), funding for the Cancer Moonshot Initiative by \$100 million, the All of Us precision medicine initiative by \$86 million, and research on a universal flu vaccine by \$40 million. It also includes \$550 million for research to combat antibiotic-resistant bacteria.

Centers for Disease Control & Prevention

The agreement provides a total of \$7.9 billion for activities of the Centers for Disease Control and Prevention (CDC) — including \$7.1 billion in discretionary funding and \$805 million from the Prevention and Public Health (PPH) Fund created by the 2010 health care law. Total available funding for the CDC would be \$353 million (4%) less than comparable FY 2018 funding but \$2.3 billion (40%) more than requested. However, House Appropriations notes that if one-time facilities funding for the CDC in FY 2018 is factored out, the measure actually provides a \$126 million increase for CDC on a comparable program level.

Within the total, \$1.5 billion is for public health preparedness and response activities related to bioterror attacks and pandemic diseases (\$15 million more than FY 2018 and \$665 million more than requested). The measure allows for the transfer of the Strategic National Stockpile to HHS's Office of the Assistant Secretary for Preparedness and Response (outside of CDC), with conferees saying the CDC is to retain a strong and central role in medical countermeasures. Conferees also direct HHS to ensure that there are no programmatic or funding gaps resulting from the transition.

It provides \$798 million for immunization and respiratory disease activities (equal to FY 2018 but \$97 million more than requested), and establishes a new Infectious Disease Rapid Response Fund financed by an initial \$50 million appropriations that the CDC could tap in an emergency; those funds would remain available until expended.

It also provides \$620 million for emerging and zoonotic infectious diseases (\$6 million more than FY 2018 and \$112 million more than requested), and \$1.1 billion for CDC's HIV/AIDS, viral hepatitis, sexually transmitted diseases and tuberculosis prevention activities — including \$5 million to target infectious diseases that are a direct consequence of the opioid epidemic, such as hepatitis B, hepatitis C and HIV infections.

CDC's chronic disease prevention and health promotion activities would receive \$1.2 billion (2% more than FY 2018 and \$249 million, or 27%, more than requested) while \$496 million is provided for public health scientific services (1% more than FY 2018), \$489 million is provided for CDC's global health activities (equal to FY 2018), and \$336 million is provided for the National Institute for Occupational Safety and Health (\$1 million more than FY 2018; the administration proposed no funding for the institute).

It also appropriates \$209 million for CDC environmental health activities (2% more than FY 2018), and \$649 million for injury prevention and control activities (equal to FY 2018 but \$382 million more than requested), which include the prevention of rape, domestic violence, teen violence, and illicit opioid use. Conferees direct CDC to use \$10 million for a nationwide opioid awareness and education campaign, \$1 million to respond to exposure to harmful algal blooms, and \$12 million for Lyme disease activities.

Health Resources & Services Administration

The measure provides \$7.2 billion for programs and activities of HHS's Health Resources and Services Administration (HRSA), \$147 million (2%) more than FY 2018 but \$2.7 billion (27%) less than requested (the administration proposed to convert mandatory funding for community health centers to discretionary funding).

It includes \$1.6 billion in discretionary funding for primary health care services and facilities, with \$1.5 billion for community health centers, and it separately provides \$4 billion in mandatory spending for community health centers — thereby providing a total of \$5.5 billion for such centers in FY 2019, \$195 million more than current funding. The discretionary total includes \$120 million for medical malpractice liability protection at federally supported health centers.

It provides \$1.1 billion for programs aimed at addressing shortages of health professionals, \$36 million (3%) more than FY 2018 and more than double the request. That total includes \$249 million for nursing programs (equal to FY 2018) and \$325 million for graduate medical education programs at children's hospitals (which the administration proposed to eliminate). It also includes \$25 million for a new graduate education program, which is to support expanding and existing graduate education programs for health care professionals in an effort to address a projected future shortage of primary care physicians (the House bill had included \$200 million for such a program). Conferees direct HRSA to prioritize grants to public universities located in the top fifth of states projected to have a shortage of primary care providers.

For maternal and child health programs, it provides \$927 million (4.5% more than FY 2018) — including \$678 million for the Maternal and Child Health block grant (4% more than FY 2018), \$123 million for the Healthy Start program (11% more), and \$51 million to the Autism and Other Developmental Disorders program (3% more). The administration had proposed consolidating many of the maternal and child health programs into a new Maternal, Infant and Early Childhood Home Visiting Program.

It provides \$2.3 billion for Ryan White HIV/AIDS programs (equal to FY 2018), including \$1.3 billion for comprehensive care programs, \$656 million for emergency assistance, and \$201 million for the early intervention program.

It includes \$115 million (3% more than FY 2018) for various health care systems such as Poison Control Centers and the National Cord Blood Inventory, and \$318 million (9% more) for rural health programs — including \$120 million (20% more) for the rural communities opioid response program. That \$20 million increase is to provide for three Rural Centers of Excellence on substance use disorders; conferees also direct that up to \$15 million from the National Health Service Corps accounts be used for the rural opioid response program.

Finally, the measure appropriates the requested \$286 million for the department's Title X family planning programs, equal to the 2018 total. The House bill had proposed to eliminate that funding because of GOP opposition to providing family planning funding to organizations such as Planned Parenthood, which also provides abortion services.

Substance Abuse & Mental Health Services Administration

The agreement provides \$5.7 billion for programs and activities of the Substance Abuse and Mental Health Services Administration (SAMHSA), \$584 million (11%) more than FY 2018 and \$2.2 billion (62%) more than requested.

The total includes \$3.8 billion for substance abuse treatment programs, \$555 million (17%) more than FY 2018 and \$1.7 billion (81%) more than requested. That amount includes \$1.9 billion for block grants to states (equal to both FY 2018 and the request), \$461 million for programs of regional and national significance (14% more than FY 2018 and 81% more than requested), and \$1.5 billion for state opioid response grants (\$500 million more than FY 2018) — for which the administration requested no funding.

The House committee in the report on its bill directs the Center for Substance Abuse Treatment to allow medication-assisted treatment for opioid and heroin abuse, and to prioritize treatments that are less susceptible to medication diversion.

It also provides \$205 million for substance abuse prevention programs of regional and national significance, \$43 million (17%) less than FY 2018 and 7% less than requested.

For SAMHSA mental health programs, the measure provides a total of \$1.6 billion, \$71 million (5%) more than FY 2018 and \$493 million (46%) more than requested. That total includes \$723 million for community block grants (equal to FY 2018 but 28% more than requested); \$396 million for programs of regional and national significance (10% less than FY 2018 but 40% more than requested); \$150 million for Certified Community Behavioral Health Clinics (\$50 million more than FY 2018; the administration requested no funding); \$125 million for children's mental health services (equal to FY 2018 and 5% more than requested); and \$65 million for the Projects for Assistance in Transition from Homelessness (PATH) program (equal to both current funding and the request).

Agency for Healthcare Research and Quality

The measure provides \$338 million for the Agency for Healthcare Research and Quality (AHRQ), equal to FY 2018. AHRQ funds activities such as medical expenditures panels, surveys and research on health care costs and outcomes with the goal of producing evidence to make health care safer, more accessible, equitable and affordable. The administration requested no funding for AHRQ.

Centers for Medicare & Medicaid Services

The Centers for Medicaid and Medicare Services (CMS) oversees those two entitlement programs and also is responsible for administering portions of the 2010 health care overhaul (PL 111-148 and PL 111-152). All of its funding is mandatory spending or comes from the Medicare Trust Fund.

The agreement provides a total of \$3.7 billion from the Medicare Trust Fund for CMS management activities, equal to current funding but 3% more than requested. Most management funding, \$2.5 billion, is for the program operations account, equal to FY 2018 but \$118 million more than requested.

It also provides \$765 million from the Medicare Trust Fund for health care fraud and abuse control activities carried out by CMS, the HHS Inspector General, and the Justice Department. That total is \$20 million (3%) more than FY 2018, but \$5 million less than requested.

The agreement continues language from previous appropriations measures that prohibits risk corridor payments, which were established under the 2010 health care law to help stabilize the private insurance markets. But it does not include House provisions that would have prohibited the use of funds for general administration of the 2010 health care law or for the "navigators" program that helps consumers explore health coverage options available on state and federal health insurance exchanges.

Medicare & Medicaid

The measure provides a total of \$411.1 billion in mandatory funding (including advance funds from last year) for grants to states for the joint federal-state Medicaid program, \$1.1 billion more than comparable FY 2018 funding. It also provides \$137.9 billion in advance mandatory funding for FY 2020.

That state grant total for FY 2019 includes \$384.9 billion for the federal share for Medicaid benefits, \$21.5 billion for state and local administration of the program, and \$4.7 billion for vaccines for children.

It also provides \$378.3 billion in mandatory funding payments to Medicare's trust funds for various programs and purposes in FY 2019, \$54.8 billion (17%) more than current funding.

Those payments include \$284.3 billion for Medicare Part B benefits (\$38.9 billion, or 16%, more than FY 2018) and \$92.1 billion for Medicare's Part D prescription drug program (\$15.9 billion, or 21%, more than FY 2018). In both those cases, those payments represent the general fund subsidies to the program — to cover those benefits that have not been financed by payroll taxes or premium contributions (those other portions of Medicare benefits are paid directly as a result of the program's authorizing legislation, and are not included in appropriations measures).

CMS Directives

The House committee, in its report, requires HHS to report on the most frequently purchased and most expensive drugs in Medicare and Medicaid, and to list those that received significant government research subsidies.

It also requires CMS to improve access to diabetic retinal exams through the use of local digital retinal imaging with interpretation by a remote specialist; provide women with information on how to obtain quality breastfeeding equipment and supplies; and improve the rate of adult vaccination in the Medicare population through provider outreach and electronic health records.

Families & Children / LIHEAP

The agreement provides a total of \$38.4 billion in discretionary and mandatory funding for programs and activities of HHS's Administration for Children & Families — \$194 million (0.5%) more than the FY 2018 and \$7.8 billion more than requested.

Head Start / Family Services

Within the total, \$12.2 billion is for various children and family services programs (\$217 million, or 2%, more than FY 2018 funding and \$1.9 billion more than requested) — including \$10.1 billion for the Head Start program, which provides comprehensive early childhood services to children and families from

before birth through age 5. That Head Start funding is \$200 million more than FY 2018 and \$788 million more than the request. Most other individual children and family services programs are funded at FY 2018 levels, including \$250 million for preschool development grants, \$269 million for child welfare services, and \$110 million for the runaway and homeless youth program.

It rejects the administration's proposal to terminate community services block grants to states, providing \$725 million (\$10 million more than FY 2018). It also provides \$165 million for family violence prevention and services, including support of shelters for battered women (\$5 million more than FY 2018 and \$14 million more than the request).

Refugee and Entrant Assistance

The agreement provides \$1.9 billion for HHS refugee and entrant assistance programs, \$40 million (2%) more than FY 2018 and 6% more than requested. This amount includes \$1.3 billion for unaccompanied minors who enter the United States, equal to FY 2018. It also includes \$354 million for the existing transitional and medical services program (\$34 million more than FY 2018) and \$207 million for refugee support services (equal to FY 2018).

The measure does not include House language that would have that overturned the 1997 legal settlement known as the Flores agreement, which prohibits minors from being detained for more than 20 days. In April and May of 2018, nearly 2,000 children were separated from their parents as a result of the Trump administration's "zero tolerance" policy that required the Homeland Security Department to refer all undocumented adults crossing the border to the Justice Department for criminal prosecution; the children were transferred to the custody of the Health and Human Services Department's Office of Refugee Resettlement. The administration had used the legal settlement as justification to separate families, and under the dropped House language the administration would have been able to detain families together indefinitely.

The agreement allows HHS to accept donations of medical supplies, clothing, school supplies and more for the unaccompanied children in HHS' care. It requires HHS to provide Congress with a report about how many migrant children are in its care, how long they have been in custody and their reunification status.

Child Care and Development Block Grant

Child Care and Development Block Grants gives states, territories and tribes funding to provide direct financial assistance to low-income working families and families taking school or training so that the adults can access child care; the grants can also be used to improve the quality of child care for all children.

The measure provides \$5.3 billion for the child care and development block grant, \$50 million more than FY 2018 and \$2.3 billion (76%) more than requested.

In its report, the House committee says that the grants can be used to strengthen the business operations of child care providers, so providers can expand and improve.

Mandatory Programs

The agreement provides the requested \$4.3 billion in mandatory funding (including advance funding from prior years) for payments to states for state child-support enforcement programs to help promote safe and stable families. The total is \$73 million less than FY 2018.

It provides the requested \$8.7 billion in mandatory funding (including advance funding from prior years) for foster care and adoption assistance programs — including \$5.3 billion for foster care and \$3.1 billion for adoption assistance. The total available for FY 2019 is \$10 million more than FY 2018. It provides \$2.8 billion in advance funding for FY 2020.

It also provides the requested \$1.7 billion in mandatory funding (equal to the FY 2018 level) for the social services block grant program.

LIHEAP

The measure rejects the administration's proposal to terminate the Low-Income Home Energy Assistance Program (LIHEAP), providing \$3.7 billion — \$50 million (1%) more than the FY 2018 level. Program funds are distributed entirely through formula grants.

Within that total, the House committee recommends \$3 million for technical assistance, training and monitoring of program activities.

Administration for Community Living

The measure appropriates \$2.2 billion for HHS's Administration for Community Living, \$25 million (1%) more than the FY 2018 level and \$378 million (21%) more than requested. ACL coordinates the efforts of the Administration on Aging, the Administration on Intellectual and Developmental Disabilities and the HHS Office on Disability to increase access to community supports and to focus attention and resources on the needs of older individuals and people with disabilities throughout their lifespan.

The total includes \$1.5 billion in grants to states for programs that serve aging individuals and individuals with disabilities, \$11 million (1%) more than for FY 2018 and 10% more than requested. The state grant programs provide \$907 million for nutrition programs (\$10 million more than FY 2018) and \$385 million for home and community-based supportive services programs (equal to FY 2018).

The total also includes \$176 million for various programs to help those with developmental disabilities (equal to current funding) and \$261 million for Workforce Innovation and Opportunity Act programs (\$7 million more than FY 2018).

Office of the Secretary

The agreement provides a total of \$3.6 billion for HHS' Office of the Secretary, \$411 million less than for FY 2018 and \$10.0 billion less than was requested. The administration requested \$10 billion in a new account for combating opioids abuse and misuse and addressing mental illness; the measure does not provide that funding.

The total includes \$545 million for general departmental management, \$10 million (2%) more than FY 2018 and \$202 million (59%) more than requested. HHS's office of inspector general would receive the requested \$414 million, equal to FY 2018.

Public Health and Social Services Emergency Fund

The measure includes a total of \$2.0 billion for the Public Health and Social Services Emergency Fund, \$68 million (3%) more than FY 2018. The fund supports a comprehensive program to prepare for and respond to the health and medical consequences of public health emergencies, including bioterrorism, and it also supports HHS cybersecurity efforts.

Included in the total is \$260 million for pandemic flu preparedness (\$10 million more than FY 2018), \$735 million for Project Bioshield (\$25 million more than FY 2018) and \$562 million for the Biomedical Advanced Research and Development Authority (BARDA, \$25 million more).

Other Provisions

The measure continues numerous legislative provisions included in past Labor-HHS-Education bills, including restrictions on the use of federal funding for abortions (except in cases of rape, incest or protecting the life of the mother) and a ban on creating embryos for research purposes or using federal funds for research in which embryos are destroyed. It also continues to prevent HHS from discriminating against health care providers who refuse to provide, pay for or refer for abortions, and allows health care providers who feel they have been discriminated against to initiate civil actions, including against state and local governments.

However, it does not include House language that would have prohibited funding for research on fetal tissue obtained from an induced abortion, nor House language that would have prohibited funds from being used to carry out family planning under Title X or prohibited any funding from going to Planned Parenthood.

Through FY 2021, the measure blocks a proposed change in reimbursement policy for breast cancer screening, mammography and breast cancer prevention to ensure that these procedures continue to be covered by insurers without a copay.

Finally, it allows state and local public health departments to use federal funds for support services related to syringe exchange programs, as long as the federal funds are not used to purchase the syringes. This authority would apply to jurisdictions that are experiencing or are at risk for a significant increase in hepatitis infections or an HIV outbreak due to injection drug use. It prohibits funds from being used to operate a supervised drug consumption facility.

Education Department

The agreement provides a total of \$75.0 billion in discretionary and mandatory funding (including advance funding from previous years) for programs and activities of the Education Department for FY 2019, \$650 million (almost 1%) more than FY 2018 and \$8.2 billion (12%) more than requested. It includes \$22.6 billion in advance funding for FY 2020.

According to appropriators, it provides \$71.5 billion in discretionary spending for FY 2019 for Education Department programs and activities, \$581 million more than FY 2018 and \$8.2 billion more than requested. The department for FY 2019 would also receive \$3.5 billion in mandatory funding for vocational rehabilitation state grants.

The measure does not include certain long-standing policy riders that prohibit the use of funds for the transportation of students between school districts to overcome racial imbalances or racial segregation of schools.

Education for the Disadvantaged

The measure provides \$16.5 billion for Title I Education Grants and associated programs for FY 2019 (including advance funding from previous years), \$100 million more than FY 2018 and \$617 million (4%) more than requested. It provides \$10.8 billion in advance FY 2020 funding.

Within that total, \$15.9 billion is for Title I grants to local school districts to help disadvantaged children become proficient in reading and math, \$100 million more than FY 2018 and \$400 million more than requested. More than one-third of this total, \$6.5 billion, is provided for basic grants to local school districts, equal to both the FY 2018 level and the request.

The measure includes \$375 million for grants to states for the education of migrant children (equal to FY 2018 and the request) and \$190 million for comprehensive literacy development grants (equal to FY 2018), for which the administration requested no funding.

Impact Aid

The measure provides \$1.4 billion for Impact Aid grants to school districts with military installations to support the education of children of U.S. servicemembers and schools with students who live on Native American land. Families living on military bases or on tribal lands do not pay property tax, which leaves schools that educate the children of these families without a source of income. The total provided is \$32 million (2%) more than FY 2018 and \$186 million (15%) more than requested.

School Improvement & Safe School Programs

The agreement provides \$5.2 billion for a variety of school improvement programs for FY 2019 (including advance funding from previous years) — \$89 million (2%) more than FY 2018 and \$4.6 billion more than requested. It includes \$1.7 billion in advance funding for FY 2020.

Within the total available, \$1.2 billion is provided for 21st Century Community Learning Centers (\$10 million more than FY 2018), which funds after-school and before-school centers for children. The administration requested no funding for the learning centers.

It also includes \$378 million for state education performance assessments and \$181 million for rural education, both equal to FY 2018. It provides \$94 million for education of homeless children and youth, \$9 million (11%) more than FY 2018 and 22% more than requested.

It includes \$2.1 billion for state grants to support effective instruction, equal to 2018. The administration requested no additional funding for this account over the \$1.7 billion provided through advance appropriations.

The measure rejects the administration's proposal to terminate funding for student support and academic enrichment grants, instead increasing funding by \$70 million to \$1.2 billion. In its report, the

House committee notes that these funds can be used to promote mental wellness for students, including those that may be headed toward violent behavior. Funds could also be used to invest in technology to assist school-based mental health professionals identify, assess and track treatment for students, and to monitor for signs that they could be a danger to themselves or others. The House committee further recommends that schools consider using the grants for security.

The agreement also rejects administration proposal to terminate funding for Comprehensive Centers that provide training, technical assistance and professional development to provide high-quality education for all students, providing \$52 million (equal to the 2018 level). It also rejects the administration's proposal to eliminate the Native Hawaiian and Alaska Native education programs — each receives the FY 2018 funding levels, \$36 million and \$35 million respectively.

For the separate Safe Schools and Citizenship Education programs accounts, the agreement provides \$191 million — \$5 million more than 2018 and more than four times the request. These programs support low-income, high poverty schools, as well as certain school safety programs. Within that total, \$95 million is for school safety national activities, \$5 million more than FY 2018.

Conferees also require that up to \$10 million be used to expand the pipelines of school counselors, social workers or other mental health services providers to address shortages in low-income elementary and secondary schools.

Innovation & Improvement Programs

The agreement provides \$1.0 billion for a variety of programs intended to foster innovation and educational improvement — \$53 million (5%) more than FY 2018 but \$742 million (42%) less than requested. Conferees in their joint statement note that \$60 million is for STEM education activities, including computer science.

The total includes \$440 million for grants for charter schools (10% more than FY 2018 but 12% less than requested), and it provides \$107 million for magnet schools (\$2 million more than FY 2018) and \$200 million for teacher incentive grants (equal to FY 2018). Within the charter school total, conferees specify that \$7.5 million is for developer grants to establish or expand charter schools in underserved, high-poverty, rural areas.

The measure rejects administration proposals to terminate the following programs, instead maintaining their funding at the 2018 level: the Javits Gifted and Talented Students program (\$12 million); the Ready-to-Learn television program (\$28 million); Supporting Effective Educator Development (\$75 million); arts in education (\$29 million); and statewide family engagement centers (\$10 million).

It also increases funding for American History and Civics National Activities by \$1 million, to \$3 million, and maintains funding for American History and Civics Academies at \$2 million. The administration requested no funding for either program.

The measure does not provide the requested \$1.0 billion for Opportunity Grants, which would have provided scholarships to students of low-income families to allow them to attend private or public schools of their choice. The House committee noted that the program is not authorized.

Indian Education

The agreement provides \$180 million for Indian Education, equal to FY 2018 but 9% more than requested.

Of that total, \$105 million is for grants to local education agencies to improve primary and secondary school programs that serve Native American students, including preschool children, and \$68 million is to improve the quality of education for Native American students and to recruit and support Native Americans as teachers and school administrators.

Special Education, English Language Acquisition & Rehabilitation

The agreement provides a total of \$13.5 billion for special education programs (including advance funding from prior years) — including \$13.2 billion in special education grants to states (\$97 million more than FY 2018 and \$396 million more than requested), of which \$391 million is for preschool grants (\$10 million more than 2018) and \$470 million is for grants to states to provide early intervention for families

who have babies and toddlers with disabilities (equal to 2018). It provides \$9.3 billion in advance funding for FY 2020.

It provides \$737 million, equal to both 2018 and the request, for English language programs.

It also provides a total of \$3.7 billion for rehabilitation services, \$70 million more than FY 2018. This amount includes \$3.5 billion in mandatory spending for vocational rehabilitation state grants, which help individuals with mental and physical disabilities prepare for and engage in gainful employment. It provides \$26 million for supported employment state grants, equal to FY 2018.

The rehabilitation total also includes \$33 million for independent living grants for blind individuals, and \$14 million for the Helen Keller National Center for Deaf/Blind Youth and Adults. Separately in the measure, it provides \$30 million for the American Printing House for the Blind, \$78 million for the National Technical Institute for the Deaf, and \$134 million for Gallaudet University in Washington, D.C.

Higher Education & Financial Aid

The agreement provides the requested \$24.4 billion for student financial aid programs, primarily for Pell Grants. The total is equal to FY 2018 levels and \$1.5 billion more than requested.

Specifically, it provides \$22.5 billion in discretionary funding for Pell Grants, equal to FY 2018 and the request. The maximum Pell Grant is increased by \$100 in FY 2019 to \$6,195. The measure also rescinds \$600 million of unobligated Pell balances and \$39 million of mandatory Pell funding.

The total for student financial aid includes \$1.1 billion for federal work-study grants (equal to FY 2018 and \$630 million more than requested), and it rejects the administration's proposal to terminate supplemental educational opportunity grants, providing \$840 million (equal to the 2018 level). The measure also provides \$1.7 billion for administering student aid (equal to the 2018 level), and it provides \$350 million to forgive loans for student borrowers with qualifying government or nonprofit jobs, equal to 2018.

The agreement provides a total of \$2.3 billion for other higher education programs, including \$667 million for a variety of programs intended to strengthen colleges that serve certain minority populations (\$7 million more than FY 2018 and almost twice the request). Separately it provides \$40 million for the Historically Black College and University Capital Financing Program for repair and renovation of facilities at HBCUs (\$10 million more than FY 2018), and \$237 million for Howard University in Washington, D.C. (\$4 million more than FY 2018).

That higher education total also includes \$1.1 billion for TRIO programs that help low-income and first-generation college students plan, prepare for and succeed in college (\$50 million more than FY 2018), as well as \$360 million for the GEAR UP program that provides grants to provide students with skills, encouragement and scholarships to pursue postsecondary education (\$10 million more than FY 2018); the administration requested no funding for GEAR UP. Conferees reiterated concerns voiced by both the House and Senate appropriators that the department may be placing burdensome requirements on TRIO recipients, directing the department to report on how additional funds were awarded and to detail TRIO funding allocations in the operating plan required by the measure.

It also includes \$50 million for a program to provide child care for parents who are attending post-secondary schools (equal to FY 2018) and \$43 million for Teacher Quality Partnerships, which improves the quality of teachers in high-need schools through model teacher preparation and residency programs (equal to 2018).

In their joint statement, conferees provide for the establishment of an Open Textbooks grant pilot program, and require that any tools, technologies or other resources created, developed or improved with pilot funds that are for use with an open textbook must be licensed worldwide, royalty-free, perpetually and irrevocably.

Adult Career and Technical Training

The agreement provides \$1.9 billion for career education programs, \$95 million (5%) more than FY 2018 and \$289 million (18%) more than requested.

Of that total, \$1.3 billion is designated for basic grants to states, \$70 million (6%) more than FY 2018 and \$145 million (13%) more than requested.

It also provides \$642 million state grants for adult education activities such as literacy education, 4% more than FY 2018 and \$156 million (32%) more than requested.

Education Department Activities

The agreement provides \$615 million for the Institute of Education Sciences to support education research, statistics, dissemination, evaluation and assessment activities. The amount is \$2 million more than FY 2018 and \$93 million more than requested.

It provides \$616 million for departmental management, \$8 million more than FY 2018 but \$14 million less than requested. Within that total, \$430 million is for salaries and expenses, \$125 million is for the Office of Civil Rights and \$61 million is for the Office of the Inspector General. No funds are provided for building modernization, for which \$27 million was requested.

The agreement includes several new policy provisions, including those that allow institutions of higher education to receive federal payments for servicing outstanding federal Perkins loans, and that allow students to defer, interest free, federal student loan repayment if they are receiving cancer treatment.

Labor Department

The agreement provides a total of \$13.5 billion in discretionary and mandatory funding (including advance funding from previous years) for programs and activities of the Labor Department in FY 2019, \$218 million (1.6%) less than comparable FY 2018 funding but \$1.3 billion (10%) more than requested.

According to House appropriators, it provides \$12.1 billion in discretionary spending, \$94 million less than FY 2018. The department for FY 2019 would also receive \$1.4 billion in mandatory funding for a variety of benefit programs.

The measure also includes \$1.8 billion in advance funding for FY 2020, and it rescinds \$53 million of advance funding from the dislocated workers assistance national reserve.

Employment and Training Administration

The measure provides a total of \$9.9 billion for programs and activities of the Employment and Training Administration (ETA), \$113 million (1%) less than FY 2018 but \$1.1 billion (13%) more than requested.

Training & Employment Services

The total includes \$3.5 billion, \$17 million (0.5%) more than FY 2018 and \$282 million (9%) more than requested, for assistance programs under the Workforce Investment Act to provide job training skills and assistance to youth and adults, as well as to dislocated workers. Of that funding, \$846 million is for adult employment and training (equal to FY 2018 but 4% more than requested), and \$903 million is for youth employment and training (equal to 2018 but 3% more than requested).

It also provides \$1.3 billion for the department's dislocated-worker assistance program (equal to 2018 but 2% more than requested), including \$1 billion for grants to states. States can use the funds to provide core and intensive services, training and supportive services as well as for rapid response assistance for workers affected by mass layoffs and plant closures.

The measure also provides \$93 million for the reintegration of ex-offenders, \$89 million for migrant- and seasonal-worker programs, \$90 million for Youth Build activities, and \$55 million for Native American programs. Conferees direct the department to use the funding for reintegration of ex-offenders especially in high-crime, high-poverty areas that are seeking to address relevant impacts and root causes of civil unrest and high levels of community violence.

It provides \$160 million for apprenticeship programs — \$15 million (10%) more than in FY 2018 but \$40 million (20%) less than requested.

Job Corps

The agreement provides \$1.7 billion for the Job Corps, the nationwide network of residential facilities that provide training, job placement and support services to at-risk young adults. The total is equal to FY 2018 but \$422 million (33%) more than requested.

Of that total, \$83 million is for the construction, rehabilitation and acquisition activities of Job Corps centers, and \$32 million is for administrative expenses.

In its report, the House committee expressed concern for the safety and security of students in the program and notes that funding for construction should address physical security at the centers. It directs the Labor Department to report on how the funds were used to address physical security, planned uses of the remaining funds, and an estimate of the costs of remaining needs not addressed within these funding levels.

The House committee also directs the department to address the remaining recommendations in a Dec. 29, 2017, inspector general's report on student misconduct, and directs ETA to implement the recommendations from a March 30, 2018, inspector general's report regarding Job Corps contractors helping participants find jobs.

Separately within the bill, it provides \$400 million for community service employment for older Americans.

Unemployment Insurance & Employment Services

The measure provides \$3.3 billion for State Unemployment Insurance and Employment Service Operations activities, \$129 million (4%) less than FY 2018. The total includes \$2.4 billion for state operations of unemployment insurance programs, and \$663 million for state employment services programs and activities.

It also provides \$790 million in mandatory spending for federal unemployment benefits and allowances, equal to FY 2018.

In its report, the House committee urges ETA to establish performance measures to assess the impact and outcomes of the Reemployment Services and Eligibility Assessment Program so that it can be compared to other unemployment insurance claimants.

Reiterating the House report, conferees direct ETA to work with the inspector general to implement changes to reduce the rate of improper unemployment insurance payments. Conferees provide \$9 million for the Unemployment Insurance Integrity Center of Excellence, and direct both the department and the center to address improper payments.

The agreement also provides \$62 million for the Foreign Labor Certification program, equal to the 2018 level and slightly more than requested. The program administers temporary foreign worker programs, including the H-2A and the H-2B temporary visa programs. Conferees direct that \$8 million be used to implement the Northern Mariana Islands U.S. Workforce Act (PL 115-218).

Workplace & Mine Safety

The measure provides \$558 million for the Occupational Safety and Health Administration (OSHA), \$5 million more than FY 2018. In its report, the House committee urged OSHA to consider comments in response to proposed regulation of cranes and derricks in construction, and to prioritize comments for changes that would relieve regulatory burdens without risking safety.

It also provides \$374 million for administration, salaries and expenses of the Mine Safety and Health Administration (MSHA), equal to FY 2018.

Labor Departmental Management

The agreement provides \$338 million for the salaries and expenses of staff responsible for operations, management and policy development at the Labor Department. The amount provided is slightly more than in FY 2018 and \$77 million (30%) more than requested. Within that total the measure provides \$14 million for the Women's Bureau, which conferees note is to be used to address important issues facing women in the labor force.

The House committee in its report expressed appreciation that the department's chief financial officer agreed with the assessment in the inspector general's June 13, 2017, report that the department needs to address the frequency of improper payments, and it directs the chief evaluation officer to provide the information necessary to improve program performance.

Separately within the bill, it provides \$23 million for information technology modernization (\$3 million more than FY 2018; the administration requested no funding), and \$89 million for the office of inspector general (equal to 2018). The agreement requires the department to assign project managers to ensure that IT modernization projects meet departmental requirements, and are on schedule and within budget.

Other Labor Agencies & Activities

The agreement provides \$300 million for Veteran Employment and Training activities, \$5 million (2%) more than FY 2018 and \$18 million (6%) more than requested. The total includes \$3.5 million for a pilot program to prepare service members who are transitioning from service to civilian life to qualify for apprenticeship programs and to assist them with placement. It also includes \$500,000 for the initiation of the HIRE Vets Medallion Program authorized by the Honoring Investments in Recruiting and Employing American Military Veterans Act of 2017 (PL 115-31).

It provides a total of \$615 million for the Bureau of Labor Statistics, \$3 million more than FY 2018 and \$6 million more than requested. Within this amount, \$211 million is for employment statistics (\$2 million more than FY 2018) and \$210 million is for prices and cost-of-living research (\$1 million more).

It also provides \$229 million for the department's wage and hour division (\$2 million more than FY 2018) and \$41 million for the Office of Labor Management Standards (\$1 million more than for 2018). The House committee recommends that the wage and hour division provide notice on its website that living organ donors who are eligible under the Family Medical Leave Act can use family medical leave when they donate organs.

EBSA and PBGC

The agreement provides \$181 million for activities of the Employee Benefits Security Administration (EBSA), equal to the 2018 level but \$9 million (5%) less than requested. EBSA is responsible for the security of retirement, health and other workplace-related benefits of working Americans.

It provides \$445 million for administrative expenses of the Pension Benefits Guaranty Corporation (PBGC), which protects the retirement incomes of nearly 40 million American workers in almost 24,000 private-sector defined benefit pension plans. PBGC was created to maintain the pension plans, provide uninterrupted payment of pension benefits and keep pension insurance premiums as low as possible. The amount provided for PBGC is \$21 million (5%) more than the 2018 level and equal to the request.

As requested in the budget, the agreement includes new language that provides contingent funding for credit monitoring services for PBGC if there is a security breach exceeding \$250,000.

The House committee expressed concern that several large, private sector pension plans are at risk of becoming insolvent and requires EBSA, working with the Pension Benefits Guaranty Corporation (PBGC), to report to Congress on its efforts to mitigate the risk to the PBGC system. It also directs EBSA to provide information in its FY 2020 budget request on efforts to increase the participation of women and minority-owned asset management firms in the management of Thrift Savings Plan funds.

Workers' Compensation Programs

The measure provides a total of \$759 million in mandatory funding for various workers' compensation programs administered by the Labor Department, \$124 million (14%) less than FY 2018 but \$2 million more than requested.

Those programs include the Black Lung Disability Trust Fund, which pays black-lung compensation, medical- and survivor-benefit expenses when no responsible mine operator can be assigned liability (\$258 million for benefit payments, \$88 million less than FY 2018); special benefit payments for disabled coal miners (\$20 million, \$45 million less than FY 2018); and federal employee compensation benefits (\$227 million, \$10 million more than current funding).

Related Agencies

The agreement also funds a number of other agencies outside of the three departments.

Corporation for National & Community Service

The measure provides \$1.1 billion for the Corporation for National and Community Service, including for AmeriCorps and the Volunteers in Service to America (VISTA) program. That amount is \$19 million

more than the 2018 funding level and \$960 million more than requested, as the administration proposed to eliminate some of the accounts and greatly reduce others.

Funding includes \$92 million for the VISTA program, for which the administration requested only \$5 million. VISTA provides capacity building for small, community-based organizations that combat poverty; its members establish and expand housing, employment, health and economic development programs.

It provides \$208 million for the Senior Volunteers Corps (only \$351,000 was requested), a collection of programs to connect older individuals with opportunities to contribute their skills and expertise to community projects and organizations. The programs include foster grandparents and senior companions.

It also provides \$486 million for several national and community service programs (\$460 million more than requested), including \$425 million for AmeriCorps (\$13 million more than FY 2018), which addresses community needs in education, public safety, health and the environment. The administration proposed \$2 million for AmeriCorps.

Corporation for Public Broadcasting

The measure rejects the administration's proposal to reduce funding for the Corporation for Public Broadcasting by rescinding 97% of the advance funding for FY 2020.

Instead, as is customary, it provides \$445 million in two-year advance FY 2020 funding for the corporation for Public Broadcasting. Advance funding of \$445 million for FY 2019 was provided in the FY 2017 spending law.

It also provides \$20 million for public television interconnection systems in FY 2019, equal to the FY 2018 level. The administration requested no funding for this account.

Social Security Supplemental Security Income (SSI) Program

The agreement provides for the Social Security Administration to use \$60.9 billion in FY 2019 from the Social Security Trust Fund (including prior advance appropriations) for the Supplemental Security Income (SSI) Program — including \$55.7 billion in payments to SSI beneficiaries (\$7.5 billion more than FY 2018) and \$4.9 billion to administer the program. That total also includes \$126 million for beneficiary services and \$101 million for research and demonstration activities. It provides a \$19.7 billion advance appropriation for the program for FY 2020.

It also allows \$12.9 billion to be used by the Social Security Administration to administer the full range of its programs (including the Old Age and Survivors Insurance (OASI) program and Disability Insurance program), and to support the Centers for Medicare and Medicaid Services in administering their programs. Of this total, \$11.1 billion is from trust funds, \$129 million is from user fees, and \$1.7 billion in discretionary funding is for program integrity activities, particularly to prevent disability fraud.

National Labor Relations Board & Other Agencies

The agreement appropriates \$274 million for the National Labor Relations Board (NLRB), equal to FY 2018 but \$25 million (10%) more than requested.

It also provides \$242 million for the Institute of Museum and Library Services, \$124 million for administrative expenses of the Railroad Retirement Board, \$47 million for the Federal Mediation and Conciliation Service, \$17 million for the Federal Mine Safety and Health Review Commission, \$14 million for the National Mediation Board, \$13 million for the Occupational Safety and Health Review Commission and \$13 million for the Medicare Payment Advisory Commission (MedPAC) — all equal to FY 2018 levels (except Museum and Library Services, which is \$2 million more).

Section IV

Continuing Resolution & Other Provisions

This section describes the provisions of HR 6157, FY 2019 Defense and Labor-HHS-Education Appropriations and CR, that extend current government funding for federal departments and agencies not funded by an enacted full-year FY 2019 appropriations bill.

Continuing Resolution

The agreement continues funding for federal government operations for the first 10 weeks of FY 2019 — through Dec. 7.

Under the measure, that funding would be at FY 2018 rates for most programs and activities. Funding for departments and agencies covered by enacted full-year appropriations bills would be governed by that legislation (including the already enacted Energy-Water, Legislative Branch, and Military Construction-VA appropriations bills, the Defense and Labor-Health and Human Services bills should this measure be enacted, and the four bills currently in conference should they be enacted).

For those without enacted full-year appropriations, it continues through Dec. 7 all authorities, requirements and limitations included in the FY 2018 appropriations laws, and allows payments for appropriated entitlements and other mandatory spending to occur for up to 30 days after Dec. 7.

By continuing funding for the Homeland Security Department at the FY 2018 level, it also makes available \$7.9 billion for the Federal Emergency Management Agency's Disaster Relief Fund that could be used for relief and recovery from Hurricane Florence. The CR allows funding for FEMA's Disaster Relief Fund to be spent at the rate necessary to carry out response and recovery activities. According to the committee, as of Sept. 20, the federal government's Disaster Relief Fund totals \$24.8 billion and the National Flood Insurance Program's capacity to pay claims is \$15.8 billion. (The Federal Aviation Administration Reauthorization bill to be considered this week, HR 302, also includes \$1.7 billion in HUD Community Development Fund disaster relief that can be used to recover from the hurricane.

CR Funding Restrictions

Given the uncertainty of final funding decisions for many departments and agencies for FY 2019 that are not expected to be made until later this year, this agreement requires that the CR funding authority be implemented by agencies so that only the most limited funding action is taken to continue existing projects and activities. No funds could be used for new projects or activities, or to resume activities that did not receive funding for FY 2018.

It directs that for programs that usually have high initial rates of operation or that completely distribute funding at the beginning of a fiscal year, those high initial rates are not to occur and no grants may be awarded that would impinge on final funding decisions.

It does, however, allow federal departments and agencies to apportion funding for civilian federal worker compensation and benefits at the rate needed to avoid furloughs. And it specifically allows U.S. Customs and Border Protection, Immigration and Customs Enforcement, and the Secret Service to use funds at the rate needed to keep personnel at the level that exists as of Sept. 30.

Modified Funding Provisions

The agreement modifies the funding levels for certain programs and activities for the duration of the CR. Those modifications include the following:

- District of Columbia — Allows the District of Columbia to spend local funds for certain federally supported programs through Dec. 7 at the rates proposed by the District's FY 2018 budget request.
- Rural Utilities Service Loans — Allows for up to \$4.1 billion in direct loans for the Agriculture Department's Rural Water and Waste Disposal Program.
- Treasury Salaries — Provides for Treasury Department salaries and expenses at a \$215 million rate of operations.

- Agricultural Research Service — Provides a \$42 million rate of operations for the operation and maintenance of the National Bio and Agro-Defense Facility, and allows a \$15 million transfer for the facility from the Homeland Security Department's Science and Technology Directorate.
- Indian Health Service — Provides an additional \$15 million rate of operations for the Indian Health Service to maintain staff and facilities that were opened or expanded in FY 2018.
- Small Business Loans — Allows funding for the Small Business Administration's 7(a) loan program to be provided at the rate needed to accommodate increased demand for general business loans
- Food to Low-Income Children — Allows the Agriculture Department's Food and Nutrition Service to use funds at the rate needed to carry out a demonstration program to provide food to low-income children in urban and rural areas when school is not in session.
- Radioactive Cleanups — Allows funding for the Energy Department's uranium enrichment decontamination and decommissioning activities to be provided at the rate needed to avoid disruption of continuing projects.

Program Extensions

The agreement extends through Dec. 7 provisions and authorities of the Violence Against Women Act. Passed in 1994, the law created new programs within the Justice and Health and Human Services departments to reduce domestic violence and improve response to, and recovery from, domestic violence incidents. VAWA primarily addresses certain types of violent crime through grant programs to state and local governments, nonprofit organizations, and universities. These programs target the crimes of intimate partner violence, dating violence, sexual assault and stalking. In 2013, the program was reauthorized through FY 2018.

It also extends through Dec. 7 EPA's authority to collect fees under the Pesticide Registration Improvement Renewal Act.

Finally, the measure extends for an additional year, from Sept. 30, 2019 to Sept. 30, 2020, the authority for five federal agencies to collect and expend recreation fees on the public lands they manage. Those agencies are the Bureau of Land Management, Bureau of Reclamation, National Park Service and U.S. Fish and Wildlife Service in the Interior Department, and the U.S. Forest Service in the Agriculture Department.




City of Long Beach

Working Together to Serve

Memorandum

Date: February 7, 2019

To: Mayor and Members of the City Council

From: Patrick H. West, City Manager 

Subject: **Impacts from the Partial Federal Government Shutdown (December 22, 2018 – January 25, 2019)**

This memorandum summarizes the City of Long Beach's (City) impacts from the partial federal government shutdown beginning December 22, 2018 and ending January 25, 2019. On the 35th day of the shutdown, Congress and the President agreed to a temporary funding bill that expires February 15, 2019. While the temporary shutdown did not impact every federal agency, programs and services funded by the following seven federal appropriation bills were affected:

- Agriculture
- Commerce
- Homeland Security
- Justice
- Interior
- State
- Transportation, Housing and Urban Development

This partial shutdown stands as the longest in United States history, impacting 800,000 federal workers, their families and the national economy. While some federal workers were deemed "non-essential" and furloughed, federal workers serving in "essential" positions, i.e., Transportation Security Administration (TSA) and the United States Coast Guard (USCG), were required to report to work without a timely paycheck during the shutdown.

Background

As a result of a disagreement between the House of Representatives currently controlled by Democrats, the United States Senate currently controlled by Republicans, and President Trump, a partial shutdown of the federal government ensued beginning December 22, 2018 and ending January 25, 2019. The House Representatives rejected all funding bills that proposed funding for a physical wall between the United States and Mexico, while the President remained focused on securing funding for the wall, which was a key campaign promise of his in the 2016 Presidential election. The United States Senate supported the President's position on funding for the wall for 35 days. However, when six Republicans in the United States Senate voted to support two bills to reopen the federal government, one with funding for a border wall and one without funding for a border wall, it became clear support for the President's proposal was eroding. On January 25, 2019, the President signed a temporary funding bill to end the partial government shutdown while continuing to insist on funding for a border wall.

The House of Representatives has maintained that they are in favor of border security such as drug inspection technology, humanitarian aid, strengthening security at ports of entry, and even

offered \$1.6 billion on fencing upgrades but are firmly against a new \$5.7 billion physical barrier at the southern border.

National Economic Impacts

According to the Congressional Budget Office (CBO), the partial shutdown delayed \$18 billion in federal spending and suspended some federal services, thus lowering the projected level of real Gross Domestic Product (GDP) in the first quarter of 2019 by \$8 billion, or 0.2 percent. Although \$8 billion is expected to be made up in economic activity as back pay given to federal workers, a total of 2.2 million people were impacted when counting spouses, children, and others who live and depend on federal workers. The largest number of impacted persons were children and elderly individuals; 558,000 children were impacted, as were 103,000 people over the age of 65. Of the 2.2 million people, 330,000 are veterans, mostly from the Gulf War era, with more than a third of the veterans reporting a service-oriented disability.

Long Beach Impacts

As a local government, the City was not directly impacted during the 35-day partial government shutdown but did experience delays in ministerial processing of paperwork for grants and permits.

If the partial government shutdown had continued past February 2019, benefits to individuals and families through the Housing Choice Voucher Program (Section 8), the Women, Infants, and Child Nutrition (WIC) Program, and the Supplemental Nutrition Assistance Program (SNAP) would have likely ceased by the end of February, as reserves would have been depleted. Funding for the Housing Choice Voucher Program depends on the Transportation, Housing and Urban Development (T-HUD) appropriations bill; and funding for WIC and SNAP depend on the Agriculture appropriations bill.

- *Housing Choice Voucher Program (Section 8)* – The City administers Housing Choice Vouchers that enable approximately 6,600 households to remain housed in rental properties by paying individual landlords monthly. Costing approximately \$6.6 million per month, this program is critical to keeping individuals and families housed. When it became clear the shutdown would not be resolved in a few days, the City identified budget reserves to fund the voucher program through February 2019. This amount does not include operational costs of about 50 staff at about \$350,000 per month. If the shutdown had continued past January 25, 2019, the City would have needed to begin encouraging landlords to work with voucher recipients until the shutdown concluded for Housing Choice Voucher recipients to remain housed.
- *Women, Infants, and Child Nutrition (WIC) Program, and the Supplemental Nutrition Assistance Program (SNAP)* – Based on data available through the California Department of Social Services, 52,000 families receive WIC and SNAP benefits in Long Beach with another 51,000 eligible but not participating. Funding and reserves for these programs were identified through the end of February 2019, but benefits would have ceased if the shutdown persisted beyond that timeframe.

have also been affected. Funding for these grant programs depend on the Homeland Security appropriations bill.

- *Homeland Security Grants* – The City is expecting \$6.5 million in Urban Area Security Initiative (UASI) and State and Local Homeland Security (SHSP) grants in June 2019. The process for securing these funds is currently underway and responses from the City's grant counterparts FEMA were delayed during the shutdown. If the shutdown had extended through June 2019, there was the possibility that federal employees would not be available to issue reimbursements to the City.

Next Steps

With the full federal government temporarily funded through February 15, 2019, budget negotiations resumed. It remains unclear if the House of Representatives, United States Senate, and President Trump can reach a budget agreement on the seven appropriation bills that have yet to receive authorization through the end of FY 2019.

The President has publicly stated another partial government shutdown is possible, as is the potential for a declaration of a National Emergency to secure additional funding for a physical border wall between the United States and Mexico. The declaration of a National Emergency would encounter legal challenges.

City departments with programs dependent on funding from the Agriculture, Homeland Security, and Transportation, Housing and Urban Development appropriation bills are working to secure as much authority to operate as possible before the temporary funding measure expires February 15, 2019. Staff will continue to monitor debate on the remainder of the federal FY 2019 budget and engage with agencies and Congressional leaders as appropriate.

For more information, please contact Diana Tang, Manager of Government Affairs at Diana.Tang@longbeach.gov or (562) 570-6506.

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