



SENATE REPUBLICAN

POLICY COMMITTEE

## Legislative Notice

No. 63

June 23, 2008

# **House Amendments to the Senate Amendments to the House Amendments to H.R. 2642 – Vehicle for the Supplemental Appropriations Act for the Department of Defense for Fiscal Years 2008 and 2009**

*The Messages were received from the House on June 19, 2008 with an explanatory statement.*

### **Noteworthy**

- Note: All cost estimates in this notice were those available at press time.
- The House-passed supplemental provides \$115.8 billion in additional emergency appropriations for FY08 and \$85.2 billion for FY09 for military operations to support the Global War on Terror and other domestic priorities. This is \$10.7 billion more than the Administration requested for FY08, and \$9.4 billion more than the Administration requested for FY09. Additionally, this is \$6.98 billion less than the Senate-passed supplemental for FY08 and \$4.25 billion less than the Senate-passed supplemental for FY09.
- House Amendment #1 contains \$99.506 billion in emergency appropriations for FY08 and \$65.921 billion for FY09 for Department of Defense military operations, equal to the amounts passed by the Senate. This is \$549 million less than the Administration requested for FY08 and \$147 million less than the Administration requested for FY09. An additional \$3.578 billion is rescinded from Defense funding in amendment #2, and redirected for domestic purposes, making total FY08 military operation funding \$4.126 billion less than the Administration requested. Because the House concurred without amendment to the Senate-passed version of this amendment, action is now complete. The Senate will not act again on this amendment.
- House Amendment #2 contains domestic spending, and is what the Senate will act on.

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- Title I (Military Construction, International, and Other Security Matters) contains \$10.96 billion in emergency appropriations for FY08 and \$4.16 billion for FY09. The Senate provided \$10.3 billion in emergency appropriations for FY08 and \$3.9 billion for FY09. The Administration requested \$8.4 billion for FY08 and \$4.04 billion for FY09.
  - Title II (Domestic Matters) contains \$1.05 billion in emergency appropriations for FY08 and no funding for FY09. The Senate provided \$4.05 billion in emergency appropriations for FY08 and no funding for FY09. The Administration did not request these funds.
  - Title III (Hurricanes Katrina and Rita and Other Natural Disasters) provides \$2.72 billion in emergency appropriations for FY08 and \$5.76 billion for FY09 for Hurricanes Katrina and Rita and other Natural Disasters. The Senate provided \$2.16 billion in emergency appropriations for FY08 and \$8.24 billion for FY09. The Administration requested no funding for FY08 and \$5.76 billion for FY09.
  - Titles IV, V, VI and VII contain, respectively:
    - 13-week extension of unemployment benefits to all states, costing an estimated \$8.2 billion over 11 years (including revenue feedback). This extension also requires 20 weeks of work to receive the benefit, and the cost is not offset;
    - Veterans' education benefits as detailed in S. 22, introduced by Senator Webb. In addition, the title now contains a transferability provision for a combined cost of an estimated \$62.8 billion over 11 years and the cost is not offset;
    - Accountability provisions identical to H.R. 5712, the Close the Contractor Fraud Loophole Act, and H.R. 3928, the Government Funding Transparency Act of 2007; and
    - A provision blocking six of seven Administration Medicaid regulations, fully offset over ten years. Those six provisions are identical to H.R. 5613, excluding the regulation on outpatient services.

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## **Background**

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Per the request of Congress, the President submitted an emergency supplemental appropriations request for the Global War on Terror with the FY08 budget request in February, 2007. That request was partially filled through the supplemental appropriations process earlier this year. This February, the President submitted a supplemental appropriations request for FY09, including a request for additional emergency funds for FY08. At the time, the Administration requested \$108.1 billion in additional emergency funds for FY08 and \$70 billion in emergency funds for FY09. Previously, \$88 billion was appropriated for FY08 for the Global War on Terror, for a total request of \$196 billion for FY08 supplemental appropriations.

## Procedure

Last year's un-enacted Military Construction/VA Appropriations bill is serving as the vehicle for the emergency supplemental. The House began consideration of the bill by taking up the appropriations bill as a shell, then striking and replacing the content with two amendments. The first amendment contained Iraq policy and restriction language but no military funding, and the second amendment contained increased domestic spending, veterans education benefits, an unemployment insurance extension, and Medicare provisions. These changes were sent to the Senate as messages between the houses, and each amendment was considered separately. The Senate concurred with an amendment to the first House message, striking the House's Iraq policy language and providing the President's requested military funding. The Senate also concurred with an amendment to the second House message which contained domestic spending, adding additional domestic spending as outlined in the RPC Legislative Notice issued on May 20. The messages proceeded back to the House, which concurred with the first amendment, and concurred with amendments to the second amendment, as detailed in this Notice.

Because the House concurred without amendment to the first amendment, no further Senate action is necessary on the first amendment.

In the case of the second amendment, the Senate can disagree with the House amendment and simply send the measure back to the House, or it can concur with the House amendment, or concur with the House amendment with further Senate amendments. If the Senate concurs without amendment, the measure will proceed to the President for his signature. If the Senate concurs with an amendment, the measure immediately proceeds back to the House, and no further amendments are in order. Each of these motions is fully debatable, making them subject to potential filibuster. If the motion to concur with an amendment is offered, the text of that amendment is open to floor amendments in two degrees.

## Bill Provisions

In order to provide a comparison of funding provisions among the several versions of the supplemental, a table has been provided in lieu of language. Items in italics are those that were funded in the Senate version of the supplemental, but have been dropped in the new House version.

	<b>Program</b>	<b>Administration Request (in millions)</b>	<b>Senate (in millions)</b>	<b>House (in millions)</b>
<b>Title 1</b>	<b>Military Construction, Veterans Affairs, International Affairs and Other Security-Related Matters</b>			
	Foreign Agriculture Service FY08	\$350	\$850	\$850
	Foreign Agriculture Service FY09	\$395	\$395	\$395
	General Administration	\$0	\$4	\$4

	<b>Program</b>	<b>Administration Request (in millions)</b>	<b>Senate (in millions)</b>	<b>House (in millions)</b>
	Legal Activities	\$4.1	\$1.65	\$1.65
	U.S. Attorneys	\$5	\$5	\$5
	U.S. Marshals	\$14.9	\$18.6	\$28.6
	FBI FY08	\$101.2	\$165	\$106.1
	FBI FY09	\$39.1	\$82.6	\$82.6
	Drug Enforcement Administration	\$8.5	\$22.7	\$29.9
	Bureau of Alcohol, Tobacco and Firearms	\$4	\$4	\$4
	Federal Prison System	\$9.1	\$9.1	\$9.1
	Military Construction	\$2,022.65	\$1,871.6	\$2,766.2
	Army	\$ 1,440.75	\$1,170.2	\$1,108
	Navy and Marine Corps	\$237.5	\$300.1	\$355.9
	Air Force	\$305	\$361.9	\$399.6
	Defense-Wide	\$27.6	\$27.6	\$890.9
	Family Housing	\$11.8	\$11.8	\$11.8
	DOD Base Closure Account	\$416	\$1,203	\$1,279
	Veterans Affairs, General Operating Expenses	\$0	\$120	\$120
	Veterans Affairs, Construction	\$0	\$437.1	\$396.4
	Administration of Foreign Affairs	\$1,708	\$1,414	\$1,465.7
	Office of the Inspector General	\$0	\$12.5	\$9.5
	<i>Educational and Cultural Exchange</i>	\$0	\$10	\$0
	Embassy Security, Construction	\$160	\$76.7	\$76.7
	Contributions to International Organizations	\$53	\$66	\$66
	Contributions to International Peacekeeping	\$333.6	\$383.6	\$373.7
	International Broadcasting Operations	\$0	\$0	\$2
	International Disaster Assistance	\$0	\$240	\$220
	USAID Operating Expenses FY08	\$41	\$149.5	\$150.5
	USAID Office of the Inspector General FY08	\$0	\$4	\$4
	Economic Support Fund	\$2,009	\$1,963	\$1,883
	Democracy Fund	\$0	\$76	\$76
	International Narcotics Control and Law Enforcement	\$734	\$520	\$390.3
	Migration and Refugee Assistance	\$30	\$330.5	\$315
	United States Refugee Migration Assistance Fund	\$0	\$36.6	\$31
	Nonproliferation, Anti-terrorism, Demining	\$5	\$10	\$13.7
	<i>Peacekeeping Operations FY08</i>	\$0	\$10	\$0
	Foreign Military Financing Program	\$0	\$0	\$137.5
	Diplomatic and Consular Programs FY09	\$0	\$652.4	\$704.9
	Office of the Inspector General FY09	\$0	\$57	\$57
	Embassy Security, Construction FY09	\$0	\$41.3	\$41.3
	Contributions to International Organizations FY09	\$0	\$75	\$75
	Contributions to International Peacekeeping FY09	\$0	\$150.5	\$150.5
	Broadcasting Board of Governors, FY09	\$0	\$6	\$6
	Global Health and Child Survival FY09	\$0	\$75	\$75

	<b>Program</b>	<b>Administration Request (in millions)</b>	<b>Senate (in millions)</b>	<b>House (in millions)</b>
	Development Assistance FY09	\$0	\$200	\$200
	International Disaster Assistance FY09	\$0	\$200	\$200
	USAID Operating Expenses FY09	\$0	\$93	\$93
	USAID Office of the Inspector General FY09	\$0	\$1	\$1
	Economic Support Fund FY09	\$0	\$1,132	\$1,125
	International Narcotics Control and Law Enforcement FY09	\$0	\$151	\$199
	Migration and Refugee Assistance FY09	\$0	\$350	\$350
	Nonproliferation, Anti-terrorism, Demining FY09	\$0	\$4.5	\$4.5
	Foreign Military Financing Program FY09	\$0	\$145	\$302.5
	Peacekeeping Operations FY09	\$0	\$85	\$95
	<i>General Provision- Military Child Care Centers</i>	\$0	\$168.5	\$0
	General Provision- Barracks Improvements	\$0	\$200	\$200
	General Provision- World Food Program (with rescission)	\$0	(\$20)	(\$20)
	General Provision- Sudan funding (with rescission)	\$0	(\$10)	(\$10)
	General Provision- IRRF (rescission)	\$0	-\$50	-\$50
	<i>General Provision- Horn of Africa</i>	\$0	\$40	\$0
	General Provision- Cyclone relief (with rescission)	\$0	(\$225)	(\$225)
	General Provision- Jordan (with rescission)	\$0	(\$300)	(\$58)
<b>Title 2</b>	<b>Domestic Matters</b>			
	Food and Drug Administration	\$0	\$275	\$150
	Bureau of the Census	\$0	\$210	\$210
	<i>U.S. Marshals</i>	\$0	\$50	\$0
	Federal Prison System	\$0	\$178	\$178
	<i>Office of Justice Assistance</i>	\$0	\$590	\$0
	NASA	\$0	\$200	\$62.5
	National Science Foundation	\$0	\$150	\$22.5
	<i>Non-Defense Environmental Cleanup</i>	\$0	\$5	\$0
	Education and Human Resources	\$0	\$50	\$40
	<i>Uranium Enrichment Decontamination Fund</i>	\$0	\$52	\$0
	Science	\$0	\$100	\$62.5
	Environmental and Other Defense Activities	\$0	\$243	\$62.5
	Employment and Training Administration	\$0	\$110	\$110
	<i>Centers for Disease Control and Prevention</i>	\$0	\$26	\$0
	National Institutes of Health	\$0	\$400	\$150
	<i>American Battle Monuments Commission</i>	\$0	\$10	\$0
	Annette Lantos Death Benefit	\$0	\$0	\$0.169
	<i>General Provision- SBA salaries and expenses</i>	\$0	\$0.600	\$0
	<i>General Provision- Secure Rural Schools</i>	\$0	\$400	\$0
	<i>General Provision- LIHEAP</i>	\$0	\$1,000	\$0

	Program	Administration Request (in millions)	Senate (in millions)	House (in millions)
<b>Title 3</b>	<b>Natural Disaster Relief and Recovery</b>			
	Farm Service Agency	\$0	\$49.4	\$89.4
	Natural Resources Conservation Services	\$0	\$130.5	\$390.5
	Economic Development Assistance Programs	\$0	\$75	\$100
	<i>National Oceanic and Atmospheric Administration</i>	\$0	\$75	\$0
	<i>Office of Justice Programs</i>	\$0	\$75	\$0
	<i>U.S. Marshals Service</i>	\$0	\$50	\$0
	Army Corps of Engineers			
	Construction FY08 and FY09	\$2,835	\$5,033	\$2,896.7
	Mississippi River and Tributaries	\$0	\$17.7	\$17.6
	Operation and Maintenance	\$0	\$338.8	\$298.3
	Flood Control FY08 and FY09	\$2,926	\$3,368	\$3,153
	General Expenses	\$0	\$1.5	\$1.5
	<i>Bureau of Land Management- Wild Fire Management</i>	\$0	\$125	\$0
	<i>National Park Service- Historic Preservation</i>	\$0	\$15	\$0
	<i>Environmental Protection Agency- State and Tribal grants</i>	\$0	\$5	\$0
	<i>Forest Service- Wild Fire Management</i>	\$0	\$325	\$0
	<i>Centers for Medicare and Medicaid Services</i>	\$0	\$350	\$0
	<i>Military Construction</i>	\$0	\$11.5	\$0
	<i>Federal Highway Administration</i>	\$0	\$451.1	\$0
	Disaster Loans Program	\$0	\$0	\$266.8
	FEMA- Disaster Relief Fund	\$0	\$0	\$897
	Permanent Supportive Housing	\$0	\$76	\$73
	<i>Project-Based Rental Assistance</i>	\$0	\$20	\$0
	Community Development Fund	\$0	\$0	\$300
	<i>Community Development Fund (Alabama with rescission)</i>	\$0	-\$150	\$0
	<i>General Provision- Rural Electric Loans (with rescission)</i>	\$0	(\$1)	\$0
	<i>General Provision- Family Housing, Gulfport, MS</i>	\$0	\$10.5	\$0

## Title IV – Emergency Unemployment Compensation

Section 4001 of Title IV creates new emergency unemployment compensation (UC) benefits for individuals who have exhausted all rights to regular unemployment benefits and established eligibility (their benefit year) after May 1, 2006. CBO estimates that this would result in new mandatory spending of \$8.2 billion over 11 years (2008-2018), including revenue feedback. There is no offset for it in this bill.

The weekly amount of benefits will be the equivalent of an individual's weekly regular unemployment compensation (UC) benefit (including dependents' allowances). Governors can provide for the new emergency UC benefits (with 100 percent federal funding) prior to providing

UC benefits under the existing Extended Benefits program (with 50 percent federal funding and 50 percent state funding).

The new emergency unemployment compensation benefits program will provide up to 13 weeks of unemployment benefits, in addition to the up to 26 weeks provided in the regular federal-state unemployment compensation program. Unlike the unemployment benefit extension in the Senate-passed language, this version does not include an additional round of up to 13 weeks of UC benefits for states with “high unemployment.” Another change from the extension in the prior version of the supplemental is that this bill retains the requirement that beneficiaries work at least 20 weeks to be eligible for additional benefits.

The supplemental provides that eligibility for emergency unemployment compensation benefits can be established up until March 31, 2009. Benefits can continue to be paid to a qualified individual until June 30, 2009.

## **Title V – Veterans Educational Assistance**

This title creates a new education benefit for veterans which, according to CBO estimates, would result in new mandatory spending of nearly \$62.8 billion over 11 years (2008-2018). There is no offset for it in this bill.

**Educational Assistance for Service Members Who Serve After September 11, 2001:** The bill creates a new benefit that will cover 36 months of aid (i.e., up to 8 semesters in a four-year college or university), the amount of which depends upon time spent in service. The full benefit consists of:

- Full tuition for the school of the veteran’s choice, capped at the amount of in-state tuition and fees charged by the most expensive public college in the same state as the school where the veteran is enrolled, payable at the start of each semester;
- A monthly housing stipend equal to the basic allowance for housing for an E-5 with dependents in the same zip code as the school; and
- \$1,000 per year for books, supplies, equipment.

These full benefits will vest after 36 months of active duty (including time spent in basic training) or medical discharge. The benefits will be reduced for enlistments of shorter duration:

- 30 months active duty (including basic training): 90 percent of full benefit;
- 24 months active duty (including basic training): 80 percent of full benefit;
- 18 months active duty (excluding basic training): 70 percent of full benefit;
- 12 months active duty (excluding basic training): 60 percent of full benefit;
- 6 months active duty (excluding basic training): 50 percent of full benefit; and
- 90 days active duty (excluding basic training): 40 percent of full benefit.

## **Other Provisions:**

- Where the veteran's tuition and fees exceed that of the most expensive public university in his or her state, the school in which he or she is enrolled may enter into an agreement with the Department of Veterans Affairs to pay for all or part of the difference; the VA must provide matching funds.
- The benefit only applies to instruction at institutions of higher learning that offer associates degrees or higher.
- The new bill contains no monthly housing stipend for someone going to college through a distance learning program (i.e., online).
- Benefits under the existing Montgomery GI Bill are also increased.
- Benefits that vest under the amended bill are transferable to spouses and children. **This is the primary difference from S. 22, the Webb version of the veteran's education benefits legislation.** Benefits will be transferrable as follows:
  - Service members who serve six years and agree to serve at least four more years may transfer up to the full 36 months of vested benefits. The Secretary of Defense may by regulation increase the amount of service required and reduce the transferable benefit to no less than 18 months of benefits; and
  - Benefits may be used by a spouse after six years of service, and by a child after 10 years of service. The Secretary of Defense may also alter this requirement by regulation.
- The title goes into effect August 1, 2009.
- Additionally, the bill provides additional relocation assistance of \$500 to veterans in highly rural areas who physically relocate a distance of at least 500 miles to pursue a program of education.

## **Title VI – Accountability and Competition in Government Contracting**

**Close the Contractor Fraud Loophole:** Chapter 1 contains language identical to H.R. 5712, the Close the Contractor Fraud Loophole Act, passed by the House on April 23, 2008. It ensures that mandatory fraud reporting requirements would apply to U.S. contractors working overseas as well as to contractors working in the U.S.

**Government Funding Transparency:** Chapter 2 contains language identical to H.R. 3928, the Government Funding Transparency Act of 2007, passed by the House on April 23, 2008. It requires a company or organization receiving more than \$25 million and 80 percent or more of their revenue from federal payments to disclose the salaries of their most highly compensated officers.

## **Title VII – Medicaid and Medicare Provisions**

Note: The amended bill removes provisions in the previous Senate version which imposed a moratorium on specialty hospitals, provided access to nominal drug pricing for certain clinics

(e.g. Planned Parenthood) and health centers, and repealed the August 17, 2007 directive on eligibility of upper-income families for SCHIP. It also allows the Outpatient Hospital rule to go into effect while imposing a moratorium on the other six rules delayed in the earlier version.

### **Section 7001(a) – Medicaid Regulation Moratoria:**

Concerns over improper state allocation of costs to Medicaid led HHS to generate a number of new rules which are now the target of legislation imposing a moratorium. The Administration promulgated seven rules over the last 14 months that will restrict the use of intergovernmental transfers, limit Medicaid payments to governmental providers, clarify and narrow payment policies for certain provisions in the targeted case management final regulation, prohibit federal Medicaid payments for certain school-based administration and transportation services, narrow the definition of rehabilitative services, prohibit federal Medicaid payment for graduate medical education, clarify the definition of outpatient clinic and hospital services, and prohibit elements of regulation related to permissible taxes on healthcare providers. The legislation imposes a moratorium on six of these rules until April 1, 2009. The moratorium on the Outpatient Hospital rule was removed from earlier versions of the bill. Therefore, the Outpatient Hospital rule will go into effect if no further action is taken.

The language in the moratorium is written extremely broadly to prohibit HHS from taking “any action,” including using federal audit procedures or other administrative action, to impose any restriction “relating to” the interim final regulations. That could have the impact of preventing HHS from taking any action to address improper state activities in an area addressed by one of the rules at issue, even if the agency currently has sufficient authority to take that action.

CBO estimates that delaying the rules until April 1, 2009 would cost \$1.16 billion. However, if the rules were withdrawn or permanently delayed, CBO estimates a 5-year year cost of approximately \$17 billion and a 10-year cost of approximately \$41 billion.

The supplemental will offset the cost of the moratorium by expanding a Medicaid asset verification pilot program and by reductions in the Physician Assistance and Quality Initiative (PAQI) Fund. The provision requiring electronic verification of assets for Medicaid is estimated to save \$1 billion over 5 years and \$4.5 billion over 10 years. The bill also adjusts \$298 billion in budget authority from the PAQI fund.

### **Medicaid Rule Summaries:**

**Intergovernmental Transfers (IGT):**<sup>1</sup> The rule would limit providers operated by units of government to reimbursement that does not exceed the cost of providing covered services to an eligible Medicaid recipient.

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<sup>1</sup> Cost Limit for Providers Operated by Units of Government and Provisions To Ensure the Integrity of Federal-State Financial Partnership. 72 Fed. Reg. 29,748 (May 29, 2007). (CMS-2258-FC) Current moratorium expires May 25, 2008.

*Cost:* \$770 million for the moratorium. For a permanent repeal, \$9.0 billion over five years and \$22.0 billion over 10 years.

**Graduate Medical Education (GME):**<sup>2</sup> This proposed rule would clarify that costs and payments associated with Graduate Medical Education programs are not expenditures for medical assistance that are federally reimbursable under the Medicaid program.

*Cost:* \$115 million for the moratorium. For permanent repeal, \$800 million over 5 years, and \$1.9 billion over 10 years.

**School-Based Administrative and Transportation Services:**<sup>3</sup> The rule would bar federal reimbursement for the cost of certain school-based administrative and transportation activities.

*Cost:* \$500 million for the moratorium. For permanent repeal, \$4.1 billion over five years, and \$10.1 billion over 10 years.

**Provider Taxes:**<sup>4</sup> The rule would reduce the permissible level of provider taxes by amending the hold harmless provisions, redefining permissible classes of services, and reducing allowable tax from 6 to 5.5 percent of net patient revenue.

*Cost:* No savings for the moratorium. For permanent repeal, \$640 million over five years, and an additional \$640 million over ten years.

**Targeted Case Management:**<sup>5</sup> Clarifies the situations in which Medicaid will pay for case management activities. The regulation revises current Medicaid regulations to incorporate changes made by section 6052 of the Deficit Reduction Act of 2005.

**Coverage for Rehabilitative Services:**<sup>6</sup> Defines allowable services that may be claimed as rehabilitation services. *Cost:* \$125 million for the moratorium. For permanent repeal, \$1.4 billion over five years, and \$3.5 billion over ten years.

### **Section 7001(d) – Medicaid Asset Verification:**

The legislation requires electronic verification of assets for purposes of determining Medicaid eligibility. It requires all states to incorporate into their Medicaid programs a demonstration program from the Supplemental Security Income (SSI) program. The program uses Web-based techniques to identify assets that might otherwise not be discovered through the eligibility-

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<sup>2</sup> Graduate Medical Education: 72 Fed. Reg. 28,930 (May 23, 2007). (CMS-2279-P) Current moratorium expires May 25, 2008.

<sup>3</sup> Elimination of Reimbursement Under Medicaid for School Administration Expenditures and Costs Related to Transportation of School-Age Children Between Home and School: 72 Fed. Reg. 73,635 (December 28, 2007). (CMS-2287-F) Current moratorium expires May 25, 2008.

<sup>4</sup> Health Care-Related Taxes: 73 Fed. Reg. 9,685 (February 22, 2008). (CMS-2275-F) Final Rule.

<sup>5</sup> Optional State Plan Case Management Services: 72 Fed. Reg. 68,077 (Dec. 4, 2007). (CMS 2237-IFC) Interim Final Rule with comment period.

<sup>6</sup> 72 Fed. Reg. 45,201 (August 13, 2007). (CMS-2261-P) Current moratorium expires June 30, 2008.

determination process and requires beneficiaries to allow access to their financial information. An applicant or recipient of medical assistance under the Medicaid program must authorize the state to obtain any financial record for that individual that is needed in connection with an eligibility determination. An authorization obtained by the state must meet privacy requirements set forth in the Right to Financial Privacy Act of 1978. Federal matching payments could be withheld for states that do not implement a verification program. States will be required to screen an increasing amount of enrollees each year and reach 100 percent compliance by 2013.

**Section 7001(b) – Funds to Reduce Medicaid Fraud and Abuse:**

\$50 million is authorized to reduce fraud and abuse in the Medicaid program.

**Section 7002(a) – Medicare Improvement Fund:**

A new Medicare Improvement Fund is created to “make improvements” in Medicare Part A and B. The Fund spends \$2.4 billion in 2014 and \$150 million in 2015.

**Section 7002(b) – Medicaid Improvement Fund:**

A new Medicaid Improvement Fund is created to “improve the management of the Medicaid program...” \$100 million is made available to the fund in 2014, and \$150 million in FYs 2015-18.

**Section 7002(c) – Adjustments to the PAQI Fund:**

The bill reduces the PAQI fund by \$298 million in budget authority and \$194 million in outlays in 2013 and then adds that money back in 2014 and 2015.

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## **Administration Position**

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The White House issued a Statement of Administration Policy (SAP) on June 19, 2008 on the House amendments to the Senate amendments to H.R. 2642, the House version of the supplemental. The Administration supports passage because it is “consistent with the principles laid out by the President for an acceptable bill. H.R. 2642 provides our troops the resources they need, does not micromanage our military commanders, and stays within the President’s reasonable discretionary spending limits for FY 2008 and FY 2009.”<sup>7</sup>

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<sup>7</sup> <http://www.whitehouse.gov/omb/legislative/sap/110-2/saphr2642-h2.pdf>

## Cost

All costs are based on preliminary CBO scoring at the time of publication.

<b><u>Title:</u></b>	<b><u>FY08</u></b>	<b><u>FY09</u></b> (amount in millions)
Title I- Military Construction	\$10,964	\$4,157
Title II- Domestic Matters	\$1,048	\$0
Title III- Hurricanes Katrina and Rita	\$2,723	\$5,761
Title IX- Defense Matters (including rescission)	\$95,928	\$65,921
<b>Titles I-III and IX subtotal</b>	<b>\$110,662</b>	<b>\$75,839</b>
Title IV- Emergency Unemployment	\$4,790	\$7,765
Title V- Veterans Educational Benefit	\$50	\$746
Title VII- Medicaid and Medicare	\$305	\$805
<b>All Titles-Total</b>	<b>\$115,807</b>	<b>\$85,155</b>

## Possible Amendments

No amendments were known at press time.