

1    **SEC. \_\_\_\_.** INCREASE IN AGE OF ELIGIBILITY FOR TRANSITIONAL  
2                                    **COMPENSATION BENEFITS FOR DEPENDENTS OF MEMBERS**  
3                                    **SEPARATED FOR DEPENDENT ABUSE.**

4            (a) DEPENDENT CHILD AGE REDEFINED.—Section 1059(n) of title 10, United States Code,  
5 is amended by striking “18” each place it appears and inserting “21”.

6            (b) PROSPECTIVE APPLICABILITY.—No benefits shall accrue by reason of the amendments  
7 made by this section for any month that begins before the date of the enactment of this Act.

**Section-by-Section Analysis**

This proposal would amend section 1059(n) of title 10, United States Code, by modifying the statutory age limitations so that eligible child abuse victims who are not enrolled in college and who are less than 21 years old have access to Transitional Compensation for Abused Dependents (TCAD) benefits.

Current law makes dependent children who are aged 18-22, and are otherwise eligible for TCAD benefits ineligible to receive these benefits if they are not attending college. Children often delay the reporting of child abuse and have no control over the length of time the Government takes to investigate/prosecute a case or process a TCAD application. Children may also simply be unable to attend college because of the costs or because of the effects of the abuse. This proposal would modify the age requirements such that eligibility for dependents not enrolled in college would be extended from age 18 to age 21. This change would be consistent with way dependents are defined in the medical eligibility statutes and would recognize the evolving economic practices of our society and improve access to benefits for dependent victims of abuse.

**Budget Implications:** This proposal has no significant budgetary impact. Resources impacted are incidental in nature and amount and are included within the Fiscal Year (FY) 2026 President’s Budget request.

**Changes to Existing Law:** This proposal would make the following changes to sections 1059 and 1076 of title 10, United States Code:

**§1059. Dependents of members separated for dependent abuse: transitional compensation; commissary and exchange benefits; lodging expenses**

(a) \*\*\*

(n) DEPENDENT CHILD DEFINED.—In this section, the term “dependent child”, with respect to a member or former member of the armed forces referred to in subsection (b), means

an unmarried child, including an adopted child or a stepchild, who was residing with the member or eligible spouse at the time of the dependent-abuse offense referred to in subsection (b) or who was carried during pregnancy at the time of the dependent-abuse offense and was subsequently born alive to the eligible spouse or former spouse and—

(1) who is under ~~18~~21 years of age;

(2) who is ~~18~~21 years of age or older and is incapable of self-support because of a mental or physical incapacity that existed before the age of ~~18~~21 and who is (or, at the time a punitive or other adverse action was executed in the case of the former member as described in subsection (b), was) dependent on the former member for over one-half of the child's support; or

(3) who is ~~18~~21 years of age or older but less than 23 years of age, is enrolled in a full-time course of study in an institution of higher learning approved by the Secretary of Defense and who is (or, at the time a punitive or other adverse action was executed in the case of the former member as described in subsection (b), was) dependent on the former member for over one-half of the child's support.

1 **SEC. \_\_\_\_ . PERMANENT AUTHORITY FOR TRANSFER OF FUNDS TO JOINT**  
2 **DEPARTMENT OF DEFENSE - DEPARTMENT OF VETERANS**  
3 **AFFAIRS MEDICAL FACILITY DEMONSTRATION FUND FOR**  
4 **CAPTAIN JAMES A. LOVELL HEALTH CARE CENTER, ILLINOIS,**  
5 **AND CODIFICATION OF AUTHORITY FOR THE FUND.**

6 (a) CODIFICATION OF JOINT MEDICAL FACILITY DEMONSTRATION FUND.— Chapter 55 of  
7 title 10, United States Code, is amended by adding at the end the following new section:

8 **“§ 1110c. Joint Medical Facility Demonstration Fund**

9 “(a) ESTABLISHMENT.—There is established on the books of the Treasury under the  
10 Department of Veterans Affairs a fund to be known as the ‘Joint Department of Defense-  
11 Department of Veterans Affairs Medical Facility Demonstration Fund’ (in this section referred to  
12 as the ‘Fund’). The Fund shall be used to facilitate the joint funding of designated combined  
13 Federal medical facilities by the Department of Defense and the Department of Veterans Affairs.

14 **“(b) TRANSFERS TO FUND.—**

15 “(1) IN GENERAL.—Amounts may be transferred to the Fund by the Secretary of  
16 Defense from amounts authorized and appropriated for the Department of Defense and by  
17 the Secretary of Veterans Affairs from amounts authorized and appropriated for the  
18 Department of Veterans Affairs, as determined by a methodology jointly established by  
19 the Secretary of Defense and the Secretary of Veterans Affairs that reflects the mission-  
20 specific activities, workload, and costs of provision of health care at the facilities of the  
21 Department of Defense and the Department of Veterans Affairs, respectively.

1           “(2) TRANSFERS OF AMOUNTS FROM MEDICAL CARE COLLECTIONS.—Amounts may  
2 be transferred to the Fund from medical care collections under the following authorities  
3 for health care provided at combined Federal medical facilities:

4                   “(A) Section 1095 of this title.

5                   “(B) Section 1729 of title 38.

6                   “(C) Public Law 87–693, popularly known as the ‘Federal Medical Care  
7 Recovery Act’ (42 U.S.C. 2651 et seq.).

8           “(c) AVAILABILITY OF AMOUNTS IN FUND.—

9                   “(1) IN GENERAL.—Amounts transferred to the Fund under subsection (b) shall be  
10 available to fund the operations of combined Federal medical facilities of the Department  
11 of Defense and the Department of Veterans Affairs, including capital equipment, real  
12 property maintenance, and minor construction projects that are not required to be  
13 specifically authorized by law under section 2805 of this title or section 8104 of title 38.

14                   “(2) CAPTAIN JAMES A. LOVELL FEDERAL HEALTH CARE CENTER.—Funds  
15 transferred to the Fund by the Secretary of Defense under subsection (b) may be used for  
16 facility operations of the Captain James A. Lovell Federal Health Care Center, consisting  
17 of the North Chicago Veterans Affairs Medical Center, the Navy Ambulatory Care  
18 Center, and supporting facilities designated as a combined Federal medical facility under  
19 an operational agreement covered by section 706 of the Duncan Hunter National Defense  
20 Authorization Act for Fiscal Year 2009 (Public Law 110–417; 122 Stat. 4500).

21                   “(3) LIMITATION.—The availability of funds transferred to the Fund under  
22 subsection (b)(2) shall be subject to the provisions of section 1729A of title 38.

23                   “(4) PERIOD OF AVAILABILITY.—

1                   “(A) IN GENERAL.—Except as provided in subparagraph (B), funds  
2                   transferred to the Fund under subsection (b) shall remain available under  
3                   paragraphs (1) and (2) until the end of the first fiscal year beginning after the date  
4                   of the transfer.

5                   “(B) EXCEPTION.—Of the amount transferred to the Fund under subsection  
6                   (b) in a fiscal year, an amount not to exceed two percent of such amount shall  
7                   remain available under paragraphs (1) and (2) until the end of the second fiscal  
8                   year beginning after the date of the transfer.

9                   “(d) EXECUTIVE AGREEMENT.—

10                  “(1) FUND ADMINISTRATION.—The Fund shall be administered in accordance with  
11                  an executive agreement between the Secretary of Defense and the Secretary of Veterans  
12                  Affairs. The executive agreement shall be consistent with section 706 of the Duncan  
13                  Hunter National Defense Authorization Act for Fiscal Year 2009 (Public Law 110–417;  
14                  122 Stat. 4500) and shall provide for an independent review of the methodology  
15                  established under subsection (b)(1).

16                  “(2) FINANCIAL RECONCILIATION.—The executive agreement between the  
17                  Secretary of Defense and the Secretary of Veterans Affairs shall provide for the  
18                  development and implementation of an integrated financial reconciliation process that  
19                  meets the fiscal reconciliation requirements of the Department of Defense and the  
20                  Department of Veterans Affairs. The process shall permit the Department of Defense and  
21                  the Department of Veterans Affairs to identify their fiscal contributions to the Fund,  
22                  taking into consideration accounting, workload, and financial management differences.”.

1 (b) CONFORMING REPEAL.—Section 1704 of the National Defense Authorization Act for  
2 Fiscal Year 2010 (Public Law 111–84; 123 Stat. 2571), as most recently amended by section  
3 1421 of the Servicemember Quality of Life Improvement and National Defense Authorization  
4 Act for Fiscal Year 2025 (Public Law 118-159), is repealed.

**[Please note: The “Changes to Existing Law” section below sets out in red-line format how the legislative text would amend existing law.]**

### **Section-by-Section Analysis**

This proposal would amend chapter 55 of title 10, United States Code, to make permanent the funding authorities for the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund (the “Fund”), originally established by section 1704 of the National Defense Authorization Act (NDAA) for Fiscal Year 2010 (Public Law 111–84; 123 Stat. 2571).

- **Eliminates Uncertainty and Delays:** Codification eliminates the annual uncertainty and potential delays associated with seeking renewal through the NDAA. It directly addresses the previous funding lapse when the language was omitted from the NDAA two years ago and ensures consistent and timely funding for the Captain James A. Lovell Federal Health Care Center (FHCC).
- **Protects Critical Healthcare Services:** The FHCC provides essential healthcare services to veterans and military personnel. Codification safeguards these services by ensuring uninterrupted funding, preventing disruptions that could negatively impact patient care.
- **Demonstrates Long-Term Commitment:** Codifying the authority signifies a lasting commitment to the joint DoD/VA healthcare model, fostering stability and encouraging further collaboration and innovation in integrated care. Permanent authority allows for more effective long-term planning and resource allocation, promoting efficient and responsible use of taxpayer dollars.
- **Streamlines Administrative Processes:** Annual legislative efforts consume valuable time and resources. Codification streamlines the process, freeing up personnel to focus on other high priority matters.

**Resource Information:** The table below reflects the best estimate of resources requested within the Fiscal Year (FY) 2026 President’s Budget that are impacted by this proposal.

RESOURCE IMPACT (\$MILLIONS)									
Program	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Appropriation	Budget Activity	BLI/ SAG	Program Element (for all RDT&E programs)
Defense Health Program (DHP)	\$165.0	\$171.6	\$178.46	\$185.60	\$193.03	0130-DHP, Operation & Maintenance	01		
Total	\$165.0	\$171.6	\$178.46	\$185.60	\$193.03		01		

**Changes to Existing Law:** This proposal would add a new section to chapter 55 of title 10, United States Code, as set forth in the legislative text above, and would make the following conforming repeal:

## National Defense Authorization Act for Fiscal Year 2010 (Public Law 111–84)

### SEC. 1704. JOINT FUNDING AUTHORITY.

(a) JOINT MEDICAL FACILITY DEMONSTRATION FUND.—

(1) ESTABLISHMENT.—~~There is established on the books of the Treasury under the Department of Veterans Affairs a fund to be known as the “Joint Department of Defense–Department of Veterans Affairs Medical Facility Demonstration Fund” (in this section referred to as the “Fund”).~~

(2) ELEMENTS.—The Fund shall consist of the following:

(A) Amounts transferred to the Fund by the Secretary of Defense, in consultation with the Secretary of the Navy, from amounts authorized and appropriated for the Department of Defense specifically for that purpose.

(B) Amounts transferred to the Fund by the Secretary of Veterans Affairs from amounts authorized and appropriated for the Department of Veterans Affairs, specifically for that purpose.

(C) Amounts transferred to the Fund from medical care collections under paragraph (4)

(3) DETERMINATION OF AMOUNTS TRANSFERRED.—~~The amount transferred to the Fund by each of the Secretary of Defense and the Secretary of Veterans Affairs under subparagraphs (A) and (B), as applicable, of paragraph (2) each fiscal year shall be such amount, as determined by a methodology jointly established by the Secretary of Defense and the Secretary of Veterans Affairs for purposes of this subsection, that reflects the mission-specific activities, workload, and costs of provision of health care at the James A. Lovell Federal Health Care Center of the Department of Defense and the Department of Veterans Affairs, respectively.~~

(4) TRANSFERS FROM MEDICAL CARE COLLECTIONS.—

~~(A) IN GENERAL.~~—Amounts collected under the authorities specified in subparagraph (B) for health care provided at the James A. Lovell Federal Health Care Center may be transferred to the Fund under paragraph (2)(C).

~~(B) AUTHORITIES.~~—The authorities specified in this subparagraph are the following:

~~(i) Section 1095 of title 10, United States Code.~~

~~(ii) Section 1729 of title 38, United States Code.~~

~~(iii) Public Law 87–693, popularly known as the “Federal Medical Care Recovery Act” (42 U.S.C. 2651 et seq.).~~

~~(5) ADMINISTRATION.~~—The Fund shall be administered in accordance with such provisions of the executive agreement under section 1701 as the Secretary of Defense and the Secretary of Veterans Affairs shall jointly include in the executive agreement. Such provisions shall provide for an independent review of the methodology established under paragraph (3).

~~(b) AVAILABILITY.~~—

~~(1) IN GENERAL.~~—Funds transferred to the Fund under subsection (a)(2) shall be available to fund the operations of the James A. Lovell Federal Health Care Center, including capital equipment, real property maintenance, and minor construction projects that are not required to be specifically authorized by law under section 2805 of title 10, United States Code, or section 8104 of title 38, United States Code.

~~(2) LIMITATION.~~—The availability of funds transferred to the Fund under subsection (a)(2)(C) shall be subject to the provisions of section 1729A of title 38, United States Code.

~~(3) PERIOD OF AVAILABILITY.~~—

~~(A) IN GENERAL.~~—Except as provided in subparagraph (B), funds transferred to the Fund under subsection (a) shall be available under paragraph (1) for one fiscal year after transfer.

~~(B) EXCEPTION.~~—Of an amount transferred to the Fund under subsection (a), an amount not to exceed two percent of such amount shall be available under paragraph (1) for two fiscal years after transfer.

~~(c) FINANCIAL RECONCILIATION.~~—The executive agreement under section 1701 shall provide for the development and implementation of an integrated financial reconciliation process that meets the fiscal reconciliation requirements of the Department of Defense, the Department of the Navy, and the Department of Veterans Affairs. The process shall permit each of the Department of Defense, the Department of Navy, and the Department of Veterans Affairs to identify their fiscal contributions to the Fund, taking into consideration accounting, workload, and financial management differences.

~~(d) ANNUAL REPORT.~~—The Secretary of Defense, in consultation with the Secretary of the Navy, and the Secretary of Veterans Affairs shall jointly provide for an annual independent review of the Fund for at least three years after the date of the enactment of this Act. Such review shall include detailed statements of the uses of amounts of the Fund and an evaluation of the adequacy of the proportional share contributed to the Fund by each of the Secretary of Defense and the Secretary of Veterans Affairs.



~~(c) TERMINATION. The authorities in this section shall terminate on September 30, 2026.~~