

Sequestration and Continuing Resolutions

VFW's Concerns:

The VFW applauds the recent bipartisan budget agreement which will alleviate the impact of sequestration on benefits and services for service members, veterans, and their families. The budget agreement included \$4 billion to address urgent VA infrastructure needs and increased the non-defense discretionary caps, which will enable VA to implement its seamless Department of Defense (DOD) – Department of Veterans Affairs (VA) electronic health care record, fund the recent executive order to reduce the rate of suicide among recently discharged veterans, and help it recover from underfunding caused by outdated spending caps.

However, the bipartisan budget deal simply delays sequestration for two years instead of completely repealing draconian sequestration spending caps, which were created in 2011 when the Joint Select Committee on Deficit Reduction failed to agree on \$1.5 trillion in deficit reduction. These spending caps have taken a massive toll on programs critical to our military and VA. The recent budget deal provides relief, but does not eliminate the problem.

Compounding the impact of sequestration is the continued reliance by Congress on continuing resolutions (CRs) to fund the government. CRs cause instability and uncertainty in the funding process by limiting long-term decision making, preventing new acquisitions, and constraining spending to predetermined category levels. For DOD, this means canceled training, penalties on contracts, delayed maintenance on weapons systems, lack of equipment, cuts to quality of life programs, longer deployments, wear on materials, and an overall decreased readiness status.

What this means for service members: Our armed services already face difficulties with reduced readiness, delayed maintenance and modernization, and cuts to quality of life programs. The lack of a timely, fully funded defense budget hinders DOD's ability to properly plan for our country's defense, defeat our enemies abroad, and execute their most solemn duty — to bring home our missing.

What this means for veterans: The resources VA is given to care for our nation's veterans has increased in past years, but outdated and arbitrary budget caps on federal discretionary spending have prevented budget increases from keeping pace with the growing demand on the VA health care system. Budget caps have forced VA to request less resources than needed to accomplish its mission, and required Congress to provide VA less resources than it has requested which hinders VA's ability to meet its obligation to our nation's veterans.

VA has requested that funding for the Choice Program be shifted from emergency mandatory to discretionary spending and merged with its medical services account. Choice Program spending has risen to nearly \$5 billion a year and the VFW estimates that the demand for VA health care, including community care, will continue to increase. Adding the Choice Program to VA's discretionary accounts will require future adjustments to sequestration spending caps. VA's commendable decision to adopt the same electronic health care record as DOD will also increase demand for funding above current spending caps. The VFW will not tolerate cuts to vital VA programs to pay for such needs.

VFW's Solutions:

- Congress must end sequestration by reforming the budget process and doing away with arbitrary budget caps that threaten our national security and limit our ability to provide service members, veterans, and their families the care and benefits they deserve.
- Congress must pass full year appropriations for DOD and VA. Another CR would severely hinder long-term planning and limit the administration's ability to respond to global threats and changes in veterans' programs.