

Sequestration and Continuing Resolutions

VFW's Concerns:

In 2011, Congress passed the Budget Control Act (BCA), which set spending caps for the federal budget through fiscal year 2022 and included a provision, known as sequestration, to activate automatic cuts if the spending limit is exceeded. As a result, the Department of Veterans Affairs (VA) and the Department of Defense (DOD) are forced to work within the confines of a six-year-old budget cap that does not account for increased demand for VA benefits and services, or for the costs required to man and equip a force capable of deterring and defeating emerging global threats. While Congress has negotiated temporary deals in the past to avoid the dangerous cuts, the issue of sequestration has not been addressed and remains a looming threat to DOD's, and possibly VA's, budget.

Compounding the problem is Congress' increasing reliance on continuing resolutions (CRs) to fund the government. CRs bring instability and uncertainty into 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: Budget control measures, compounded by CRs, have already resulted in reduced readiness, delayed maintenance and modernization, and cuts to quality of life programs. A return of sequestration would be catastrophic, resulting in additional grounded aircraft with insufficient parts, fuel, or ammunition; untrained troops; and an inability to combat the ever increasing threats to our national security. Additionally, the effect mandatory sequestration will have on recruiting and retention, when combined with better job opportunities in a healthy civilian market, could jeopardize the continued viability of the all-volunteer force.

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this means for veterans: The resources VA is given to care for our nation's veterans has increased in past years, but outdated and arbitrary budget caps on federal discretionary spending have prevented budget increases from keeping pace with the growing demand on the VA health care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.

Until now, VA has been exempt from sequestration, but no one said that will be the case in the future since nearly half of VA's budget comes through the discretionary process. Despite recent legislative victories, sequestration could dramatically affect VA's ability to reduce the claims backlog or improve hospital infrastructure that is already in rapid decline, potentially diminishing access and timeliness of care. Additionally, programs that have not been exempt from sequestration would have a direct impact on our nation's veterans, such as services the Department of Labor-VETS provides for veterans seeking employment, as well as the number and size of housing grants that the Department of Housing and Urban Development would have available for homeless veterans.

VFW's Solutions:

- Congress must end sequestration by reforming the budget process and do 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 cannot pass another CR for DOD or VA, which would severely hinder long-term planning and limit the administration's ability to respond to global threats and changes in veterans' programs.