

VFW Talking Paper on Sequestration

Oct 25, 2012

BACKGROUND: The Budget Control Act of 2011 raised the federal debt ceiling on an agreement to offset the increase with a corresponding decrease in discretionary spending over a 10-year period. A bipartisan Joint Select Committee on Deficit Reduction was created to identify what federal accounts to reduce. As an added incentive, an automatic 10 percent across-the-board sequester—or seizure of property (money)—would kick in at the beginning of the next Congress should the Super Committee fail to act, which it did. Barring an unforeseen development in the remaining 112th Congress, mandatory sequestration will occur in January 2013.

WHAT SEQUESTRATION IMPACTS: All discretionary spending accounts.

OUR CONCERN: The discretionary spending accounts of the Departments of Veterans Affairs and Defense. The President and VA Secretary have assured us that sequestration will not impact any VA account. We appreciate this, but VFW will continue to monitor how the effects of sequestration might impact future VA budgets, especially in medical and prosthetics research, maintenance and construction, administration, and those programs identified in the “10 for 10” Plan below.

The VFW is very concerned how sequestration will impact DOD. The Pentagon agreed to cut its discretionary budget by \$487 billion over 10 years, but the total amount due is \$1.2 trillion, and some in Congress want DOD to absorb the entire amount. Defense is 20 percent of the federal budget, but it amounts to half of all discretionary spending (the other half includes NASA, Homeland Security, etc.). Absorbing a \$1.2 trillion cut would be a game changer that would not only eliminate Quality of Life programs for military personnel and their families, it could potentially jeopardize our military’s ability to respond when and where needed.

VFW’s focus last year was on the “10 for 10” Plan, which are 10 DOD and VA programs and services that we continue to believe are in jeopardy of increased fees or being eliminated or curtailed to help pay for 10 years of war. Sequestration keeps all 10 on the radarscope. They

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are:

- Change the 20-year military retirement plan to resemble civilian plans.
- Increase healthcare premiums for military families and retirees on TRICARE.
- Increase pharmaceutical fees for military families and retirees.
- Reduce cost-of-living allowance increases.
- End government subsidies to military commissaries.
- Eliminate DOD elementary schools stateside.
- Eliminate DOD tuition reimbursement programs for service members.
- Eliminate presumptive service-connected conditions for disabled and ill veterans.
- Lock out or increase fees for VA Priority Group 7 and 8 veterans,
- And freeze military pay like federal civilian pay, which will now see a third consecutive year without a raise.

WHAT YOU CAN DO: Address our concerns with your elected officials at every opportunity. Current budget realities are forcing very hard choices in Congress and in agencies and departments across the executive branch. The VFW recognizes this, but we also recognize that balancing the budget on the backs of disabled veterans, those in uniform, their families, and military retirees is not a solution, and could potentially jeopardize the continued success and viability of the all-volunteer force. One loud unified voice will ensure all in Washington know that the VFW will not tolerate any plan that requires those who serve and sacrifice the most to do even more.