

STATEMENT OF  
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FOR THE RECORD

UNITED STATES HOUSE OF REPRESENTATIVES  
COMMITTEE ON VETERANS' AFFAIRS

WITH RESPECT TO

**"Accountable or Absent?: Examining VA Leadership Under the Biden-Harris Administration"**

Washington D.C.

September 10, 2024

Chairman Bost, Ranking Member Takano, and members of the committee, on behalf of the men and women of the Veterans of Foreign Wars of the United States (VFW) and its Auxiliary, thank you for the opportunity to provide a statement for the record regarding VA leadership accountability – specifically, the recent funding lapse VA reported to Congress this summer.

In mid-July, VA reported to Congress and the veteran service organization community that it expected to be nearly \$3 billion short in appropriations to close out fiscal year 2024. As presented by VA, this meant that if Congress did not convene and approve emergency appropriations by September 20, 2024, then every single payment for VA compensation, pension, and education beneficiary due October 1 would be delayed.

First, this lapse would be unacceptable, and the VFW urges Congress to pass this emergency appropriation in time to deliver earned benefit payments. Veterans should not have to pay the price for actuarial miscalculations. Veterans who are on a fixed income rely on these timely payments to ensure that they can keep a roof over their heads and food on the table. Moreover, our government made a promise to these veterans, which is why these accounts are on the mandatory side of the ledger.

That said, the VFW has concerns over how this situation played out within VA leadership and we thank the committee for taking this issue seriously to ensure it never happens again.

Since news of the funding shortfall became public, the communications on the matter from VA has been inappropriately positive about VA “delivering more benefits than ever before,” as if VA’s miscalculation that now threatens the delivery of all compensation, pension, and education benefits is somehow a positive thing.

Since VA first briefed VSOs on the problem, we have had concerns about what was really driving the shortfall and questions on when VA first knew about it. In the beginning, VA blamed part of the education funding shortfall on the recent Supreme Court decision in *Rudisill v. McDonough*. However, VA has not updated its policies yet to reflect the *Rudisill* decision – meaning no veteran is in receipt of benefits because of the court. This looks like an effort to misdirect from the actual root of the problem.

We certainly appreciate the efforts that VA has made to deliver more benefits, and we want VA to keep up this momentum. However, we cannot ignore the larger context of the notification of budget shortfalls to the veterans' community and what this means for projections moving forward.

When VA briefed its projected shortfall of mandatory appropriations, it was presented alongside a projected substantial health care funding shortfall for FY2025 that was foreseeable, considering the influx of veterans into the system.

We have been very careful to not raise alarms with the veterans' community about the October 1 issue, but the presentation of these issues unfortunately speaks to potential budgetary disagreements between VA and OMB that must be resolved. We thank VA for bringing this issue forward, but this kind of openness invites both dialogue and scrutiny to craft a responsible way forward.

Since VA notified the community this summer, we have consistently heard from appropriators that they have found ways to deliver VA the resources it asks for. If VA is not asking for the right resources, we must ask why.

Absent this actuarial miscalculation, the VFW must convey that under current leadership within Veteran Benefits Administration, there has been a noticeable culture change that focuses more on veteran outcomes. This is what veterans have wanted to see for quite some time. We hope this continues. However, it is clear to the VFW that the benefit-delivery actuaries did not keep pace with this customer-centric focus.

Regardless, as advocates for veterans and the VA benefits that they have earned, we must ask the larger question of how VA arrives at budget projections that are presented to Congress to ensure that veterans have timely access to benefits and care. We look forward to working with this committee to make sure this never happens again.