MAINTAIN A DYNAMIC ECONOMY TO SUPPORT AMERICAN SECURITY

Pursue Smart, Sustainable DoD and VA Spending



Maintaining an effective military and honoring our promises to those who have served are essential to a strong national defense. Unfortunately, our current DoD and VA spending patterns are unsustainable and ineffective.

THE ISSUE

The VA budget has more than <u>quintupled in the past 20 years</u> even as America's veteran <u>population has declined 30%</u>. Despite this, the VA fails to deliver timely and quality treatment, while restricting access to community care options. This pattern is broken.

Meanwhile, our <u>\$886 billion defense budget</u> is higher in real terms than peak Cold War spending, but our military is overstretched, crippled with maintenance and procurement issues. The VA and DoD must spend their existing resources more effectively and with greater focus on their top priorities.

POLICY SOLUTIONS

PUT VETERANS FIRST THROUGH MISSION-FOCUSED VA BUDGETS The VA has operated with unchecked spending increases for more than two decades, even as the overall veteran population declines. Congress should align VA spending with the changing veteran population to ensure maximum resources are available for their unique care needs.

- Audit the VA. The VA should undergo a DoD-style external audit and independent assessment, evaluating which of its programs and personnel investments best meet veterans' needs.
- **Control VA hiring and administrative growth.** The VA's authorized full-time equivalent (FTE) staff have rapidly <u>expanded even as the veteran population declines</u>, departing from more flexible prior practice. Congress should not authorize additional VA FTEs for 2025 while there are <u>73,000 existing VA vacancies</u> as of early 2024. Congress should also freeze the VA General Administration budget, which already grew over 24% between 2022 and 2023 and is projected to jump <u>another 20 percent</u> in 2024.
- Data-driven VA modernization. The average VA facility is <u>over 60 years old</u>, compared to under a decade for those in the private sector. Our veterans deserve better, and Congress should <u>strategically modernize VA</u> <u>infrastructure through a data-driven process</u> to align VA facilities, capabilities, and community care resources with veterans and their needs.

STRATEGY-DRIVEN DOD SPENDING CENTERED AROUND CORE NATIONAL INTERESTS Leaving U.S. troops overextended through simultaneous heavy footprints in the Middle East, Europe, and Asia is unsustainable and strains the credibility of U.S. security commitments.

- **DoD toplines reflecting reduced missions, long-term threats.** Growing fiscal constraints will limit the force structure the US can support long-term. We should right-size our defense top-line, optimizing it to address our top threats to better protect our core national interests.
- **Promote allied burden-shifting.** Our wealthy and capable European allies can afford to make greater investments in their own security. Congress should reinstate DoD burden sharing reports on the spending and capabilities of NATO allies and other security partners.

- Add accountability to DoD audits. The DoD has never passed an audit, but no accountability accompanies this failure. Congress should change department incentives by requiring that any DoD agencies failing their audits receive a 1% cut to their following year's budget.
- Abolish mandatory unfunded priorities lists. Since 2017, Congress has required the DoD to create unfunded priorities lists (UPLs) of additional spending above budget requests, regardless of whether services feel they need them. Required UPLs undermine prioritization efforts and drive up toplines. The Pentagon <u>supports abolishing</u> <u>mandatory UPLs</u>. Congress should end them.

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