The Department of Veterans Affairs is one of the largest and most complex agencies in the U.S. government. Commonly referred to as the Veterans Administration (VA), the department has an annual budget of $240 billion for fiscal year 2021.¹ It currently has about 360,000 employees and maintains and operates approximately 6,000 buildings, including 1,600 health care facilities, 144 medical centers, and 1,232 outpatient sites of varying complexity. In addition to providing health care to approximately 9 million veterans annually through the Veterans Health Administration (VHA), it also administers the GI Bill education program and a home loan program for veterans, as well as maintains 135 cemeteries where Americans can bury the brave service members who have sacrificed so much for their country.²

Denis McDonough, the new secretary of Veterans Affairs, is only the second nonveteran to take the helm of the VA since it became a Cabinet-level department in 1988 and only the second person whom Congress did not confirm unanimously for the post.³ He will have his work cut out for him. Not only does Secretary McDonough have to manage a large and complex organization, but he is also facing a series of unprecedented challenges—all compounded by the fact that the VA’s top leadership is in turmoil following the Trump administration, which had five deputy secretaries⁴ during the former president’s four-year term.

Secretary McDonough’s challenges may be placed into seven categories:

1. Addressing the ballooning VA budget
2. Expanding veterans’ access to disability benefits
3. Reducing the veteran suicide rate
4. Slowing the privatization of veterans’ health care
5. Prioritizing the women and LGBTQ people who have and still serve in the military
6. Rebuilding the department’s infrastructure and staffing
7. Helping veterans transition into civil society
1. Addressing the ballooning VA budget

The VA budget has grown rapidly and significantly since 9/11. In FY 2001, its budget was $40 billion; by 2009, President Barack Obama’s first year in office and before the full impact of the wars in Iraq and Afghanistan was felt, it had risen to $94 billion. The FY 2021 budget that Congress passed in December 2020 allocated a whopping $243 billion to the VA—an increase of more than $200 billion, or 500 percent, since 9/11. From FY 2020 to FY 2021 alone, the VA budget increased by 14 percent, an increase higher than that of any other federal agency. As a result, the VA now has the second-largest discretionary budget in the federal government, trailing only the Pentagon. Its budget is greater than the combined budgets of the Department of State, the U.S. Agency for International Development, the Department of Justice, and the entire intelligence community.

Moreover, the American Rescue Plan (ARP), which Congress passed in March 2021, gave the VA another $17 billion for FY 2021 to provide care for veterans whose health or economic situation was affected by the coronavirus pandemic. The ARP brought the department’s total budget to $260 billion, an increase of $220 billion, or 550 percent, over the past 20 years—and the numbers are expected to increase again in FY 2022. In fact, President Joe Biden’s proposed $2.25 trillion infrastructure plan, the American Jobs Plan, provides another $18 billion for the VA, making the total VA budget larger than the entire defense budget of China, the United States’ principle geostrategic competitor.

This rapid increase is a result of several factors, including the large cohort of aging Vietnam War veterans and the increase in veterans from all generations using the VA for health care, especially the 4.1 million post-9/11 veterans. It is also due to the increasing cost of health care in the United States, the introduction of federal programs such as the Post-9/11 GI Bill, and the COVID-19 pandemic.

While most analysts are not concerned about the current federal deficit—which is larger than the nation’s GDP—growth cannot continue indefinitely. If the VA budget needs to continue to grow exponentially, the administration must consider from where the money will come after the COVID-19 crisis passes and the country becomes more concerned about the deficit. The administration could, for example, reduce some VA benefits or enact a dedicated war tax to fund benefits. Notably, however, such a tax will have to continue to be paid for decades.

Every two years, just before a new Congress is sworn in, the Congressional Budget Office releases a report offering recommendations for how the incoming Congress could address the country’s growing budget deficit. This year’s controversial report offers several proposals for the VA. Unfortunately, these proposals include ending the VA’s individual unemployment and disability payments to disabled veterans when they reach the full retirement age for Social Security and excluding those veterans with disability ratings lower than 30 percent from receiving disability compensation.
2. Expanding veterans’ access to disability benefits

Secretary McDonough will have to decide whether or not the VA will continue to expand eligibility for disability and other benefits to several groups who have previously been denied them. These groups include the Blue Water Navy veterans—who may have diseases such as hypertension, bladder cancer, or Parkinson’s because of the widespread and irresponsible use of Agent Orange during their time serving on ships off the coast of Vietnam—as well as those veterans who were stationed in countries bordering Vietnam—namely, Laos, Cambodia, and Thailand—in that disastrous, decadeslong conflict. Other veterans who have been denied benefits include veterans of the wars in the Middle East whose cancer tumors could have been caused by the toxic chemicals and radiation, including burn pits, with which they came into contact during their time in those theaters. The VHA reports that 25 percent of these veterans already report health concerns, and about 200,000 of them are enrolled in the burn pit registry. Other groups include those who received a less than honorable discharge that made them ineligible for veterans benefits because they acted inappropriately as a result of PTSD or military sexual trauma; those who were expelled for their sexual orientation before the Pentagon changed its policy on lesbian, gay, and bisexual individuals serving in the military; and members of the National Guard and Reserves who did not serve on federalized active duty long enough to qualify for benefits.

Secretary McDonough must also work to reduce the VA’s massive backlog of compensation and pension exams, which a veteran must receive in order to be granted disability benefits. Many exams have been delayed because of the COVID-19 pandemic: As of March 2021, 357,000 exam requests were pending. This is nearly three times the amount of exams that were pending in February 2020. According to the U.S. Government Accountability Office (GAO), VA leaders have not yet developed a clear long-term plan to address the issue.

3. Reducing the veteran suicide rate

Secretary McDonough should take steps to reduce the risk of suicide among veterans—and make the public aware of this problem. Over the past decade, more than 60,000 veterans died by suicide, and 20 veterans die by suicide each day. Between 2005 and 2017, nearly 79,000 veterans killed themselves, more than the total number of troops who have died in the wars in Vietnam, Iraq, and Afghanistan combined (about 65,000). During his presidential campaign, Biden promised that within his first 200 days in office, he would publish a comprehensive public health and crisis sector approach to address suicide among veterans, service members, and their families. Secretary McDonough must work with President Biden on this plan and promptly implement its recommendations.
4. Slowing the privatization of veterans’ health care

Secretary McDonough must balance veterans’ growing use of private health care with spending funds to maintain the VA’s medical facilities and slow down health care privatization. The Veterans’ Access to Care through Choice, Accountability, and Transparency Act of 2014 and the Mission Act of 2018 relaxed rules that made it difficult for veterans to receive routine or specialty care outside the VA system. Under the current system, veterans can choose to receive routine care from a non-VA doctor if they would have to wait more than 20 days or drive more than 30 minutes for a primary or mental health appointment at a VA facility. For specialty care, the current rules are 20 days and 60 minutes. As a result, Secretary McDonough’s predecessor, Robert Wilkie, encouraged what became a significant increase in the past two years of the Trump administration in patients receiving health care through the VA’s network of private providers.

While many conservative veterans groups—such as Concerned Veterans for America, a nonprofit organization funded by the Koch brothers—would like to see the VA completely outsource its health care, most veterans rate their VA-provided health care as positive. In addition, an independent assessment has found that when compared with private sector health care, VA health care is better and more efficient. Secretary McDonough should be willing to make a public statement that total privatization of the VA’s medical system is no longer under consideration by the department or any of its leaders and that his budget increase will ensure that there is an appropriate balance between providing direct care and purchasing care.

5. Prioritizing the women and LGBTQ people who serve in the military

The VA must also prioritize providing women and LGBTQ service members equal access to earned benefits, as well as ending sexual harassment against them. Women are the fastest-growing segment of the veteran population. Since 2000, the number of women in the military has grown from 63,000 to 473,000—an increase of 310,000, or almost 300 percent—and the number of women using VA health care has also tripled since then, growing from 160,000 to 475,000. Women now represent 16 percent of the current U.S. military force. LGBT personnel, meanwhile, are estimated to make up 6.1 percent of service members. A 2020 GAO report found that the VA’s inconsistent collection of sexual orientation and gender identity data has limited its ability to assess health outcomes for LGBT veterans.

Despite all the indispensable services that women in uniform deliver to America, a great deal of those women have been subject to sexual assault, and many have chosen not to reenlist as a result. In April 2021, the VA took a step in the right direction to improve care for women and LGBTQ veterans, as well as the approxi-
mately 25 percent of veterans who are people of color, by committing to review its existing policies with an eye toward making them more inclusive—and designing and implementing more inclusive policies going forward.

In the meantime, the secretary—at minimum—should consider increasing benefits for veterans who have chosen not to reenlist due to sexual harassment or assault in order to honor their service and safety. In addition, the secretary’s priorities should include establishing a new office of women’s health; ensuring that there is a full-time gynecologist at every VA hospital; ending sexual harassment of women at VA facilities; and removing prosecution of military sexual assault cases from the chain of command. He should also provide child care at VA facilities, appoint the first woman veteran to be VA’s deputy director or deputy secretary of Veterans Affairs. In addition, the secretary should change the VA motto, which currently reads, “To care for him who shall have borne the battle, and for his widow and his orphan.”

6. Rebuilding the department’s infrastructure and staffing

In his upcoming budget request, Secretary McDonough must put aside funding specifically for beginning to fill the department’s 50,000 empty positions and addressing the department’s aging infrastructure, which has been in place for an average of 58 years. Additionally, when the secretary appoints his leadership team, he must ensure that his choices reflect the diversity that exists within the active-duty and veteran community.

7. Helping veterans transition into civilian society

The VA must work more effectively with the Department of Defense (DOD) to improve the policies and systems that can help military people transition into civilian society. The VA and DOD should work to increase veterans’ understanding and access to the VA’s health care, educational, and housing benefits that are available to them. The departments should also increase awareness of other resources that are available to veterans upon leaving the service to help them reenter civilian life. They can do this through public information campaigns, including making phone calls to newly separated veterans. They should also continue to increase resources that are available for veterans. As Sen. John Tester (D-MT), the new chair of the U.S. Senate Committee on Veterans’ Affairs put it in an interview with Military Times, “We do a great job making civilians into warriors. But we don’t do as good a job making warriors into civilians.”
Moreover, the VA should quickly crack down on for-profit colleges, many of which exploit the 90/10 loophole that allows them to count veterans benefits toward the 10 percent of funding that they must receive from the private sector in order to qualify for federal loans and grants such as the GI Bill. In addition, the VA should cut off GI Bill funding for schools facing legal or punitive actions from the government for using erroneous, deceptive, or misleading ads.

Furthermore, the VA should scrap the time limit on how long veterans or their families have to use the GI Bill’s educational benefits for those whose studies have been affected by the COVID-19 pandemic. Secretary McDonough should also allow veterans who qualify for both the Post-9/11 GI Bill and the Montgomery GI Bill—which was enacted in 1984 and provides educational benefits similar to those included in the Post-9/11 GI Bill—to those service members who pay an enrollment fee of $1,200. In essence, this would allow veterans who use up their 36 months of Post-9/11 GI Bill education benefits to access 12 more months of benefits if they paid the enrollment fee for both. Finally, the VA should continue to defer collections, which began in the spring of 2020, on medical bills that veterans owe after September 2021, when the deferment period ends.

Conclusion

While the VA certainly has unprecedented challenges, it is important to note that the United States has provided and will continue to provide more benefits to those who serve than any other country in the world. Providing quality care for veterans has a strong precedent in American history, dating back as far as 1776, when the Continental Congress decided during the Revolutionary War that it would provide pensions for soldiers who became disabled due to combat.

The Biden administration, along with Secretary McDonough and his team, must move rapidly to confront these challenges. As neither President Biden nor Secretary McDonough are veterans, they must work in collaboration with the 76 veterans currently in Congress, 53 of whom are Republican, and the many groups, such as the American Legion and Veterans of Foreign Wars, that represent U.S. veterans in order to develop comprehensive solutions. And the nation must realize that going to war means not only sending women and men into combat but also providing for those who return from the battle for the rest of their lives.

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Endnotes


18 Ibid.


26 Ibid.


40 Ask Vetsfirst, “The History of Veterans Benefits,” available at https://helpdesk.vetsfirst.org/index.php?pg=kb&pageid=1786&text=During%20the%20Revolutionary%20War%20the%20soldiers%20were%20indigent%20and%20the%20soldier%20was%20discharged%20veterans (last accessed May 2021).