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House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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Opening Statement

Rep. Stephen F. Lynch, Ranking Member
Subcommittee on National Security

Hearing on “VA: Path to Reform”
March 1, 2017

Thank you, Mr. Chairman. As we hold our first hearing of the 115th Congress, I’d like to again express my commitment to working with you and your very capable staff to address the serious challenges facing our national security. Our bipartisan oversight work will prove critical to identifying existing and emerging threats; it will also further the important national security missions carried out by federal agencies and our dedicated military and civilian personnel on behalf of the American people.

Chief among these missions is ensuring that the more than 21 million brave men and women who have served in defense of our nation and represent America’s veterans community receive a quality of care and opportunities to transition to civilian life that are commensurate with their sacrifice. To this end, I welcome today’s hearing to examine ongoing reform efforts at the Department of Veterans Affairs – also known as the V.A. I’d also like to thank our witnesses for helping our Subcommittee with its work.

It is my understanding that this hearing will focus on recent audit work conducted by the Office of the V.A. Inspector General to examine so-called recruitment, retention, and relocation incentives that were previously awarded to certain senior-level and V.A. Central Office employees. In particular, a January 2017 audit report issued by the Inspector General determined that absent additional reforms, the V.A. will risk spending an estimated \$158.7 million dollars in unsupported bonuses and forfeiting \$3.9 million in bonuses that should be recouped through fiscal year 2019. I agree with the Chairman that this area merits meaningful congressional oversight.

However, I would also urge that our Subcommittee examine a more immediate and serious threat that is facing our veterans community. That is the negative impact on veterans’ services that will be caused by President Trump’s executive memorandum to establish an indefinite and indiscriminate hiring freeze. This action prohibits all federal agencies from hiring full-time federal workers – including individuals to fill 9,000 vacant positions at the V.A. serving critical functions. The predictable consequences will be to degrade the essential services that our veterans and the American public rely on and rescind the opportunities that America’s veterans have earned. For that reason, Veterans Organizations, ranging from the American Legion and Veterans of Foreign Wars of the United States to Disabled American Veterans and Iraq and Afghanistan Veterans of America, continue to underscore the devastating effects of the hiring freeze on our returning service men and women.

As I noted in a letter signed by 107 Members of Congress urging President Trump to reconsider his decision, past hiring freezes enacted during both Democratic and Republican administrations have proven to

decrease government efficiency, accountability, and transparency at the expense of public services and American taxpayer dollars. As reported by the independent Government Accountability Office in its seminal 1982 report examining government-wide freezes implemented under President Reagan and President Carter, these actions severely disrupted critical agency operations and diminished federal oversight of agency programs. I would note that one Carter Administration hiring freeze caused a clerical staff shortage at a V.A. Medical Center that required healthcare professionals to prioritize administrative duties over their core job functions; unsurprisingly, this led to increased patient wait times and severe delays in the processing of medical examinations. The report also found the hiring freeze “caused decreased oversight of federal programs by making it more difficult for the inspector general offices to do their jobs,” something we should remember as we review the critical work of the Inspector General for Veterans Affairs today.

Moreover, the current hiring freeze is already having a drastic impact on the ability of our veterans to transition to civilian life. That’s because America’s veterans make up one-third of our federal workforce and new hires at the Department of Defense, the V.A., the Department of Transportation, and other agencies nationwide. According to the Office of Personnel Management, veterans’ hiring in the federal government has also risen significantly in recent years with federal agencies hiring an estimated 6,000 more veterans in fiscal year 2015 than the year before. That’s a total of 71,000 new veteran hires and a veteran hire percentage rate of 32.5%. More than 31,000 of these new hires were disabled veterans – including over 21,000 veterans with a disability rating of 30%.

In order to ensure that the federal government does not close its doors to America’s veterans seeking to continue to serve the American people in a federal government job, I recently introduced H.R. 1001, the ***Veterans Federal Hiring Protection Act***. This legislation would exempt veterans from the federal hiring freeze and is even more critical at a time when the Bureau of Labor Statistics just reported an unemployment rate for our newest generation of veterans of 6.3% in January of 2017. That’s an increase from 5.7% the previous year and represents over 200,000 Iraq and Afghanistan veterans who are looking for work. H.R. 1001 has been cosponsored by over 25 Members of Congress and I strongly urge my colleagues on both sides of the aisle to join me in this effort.

In his Joint Address to Congress last night, President Trump stated that “*our veterans have delivered for this nation and now we must deliver for them.*” The federal hiring freeze will make it extremely difficult to live up to this promise.

Mr. Chairman, I look forward to today’s hearing and I yield back the balance of my time.

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